

Essential Facts About

THE CANADIAN VIDEO GAME INDUSTRY



ENTERTAINMENT
SOFTWARE
ASSOCIATION OF CANADA

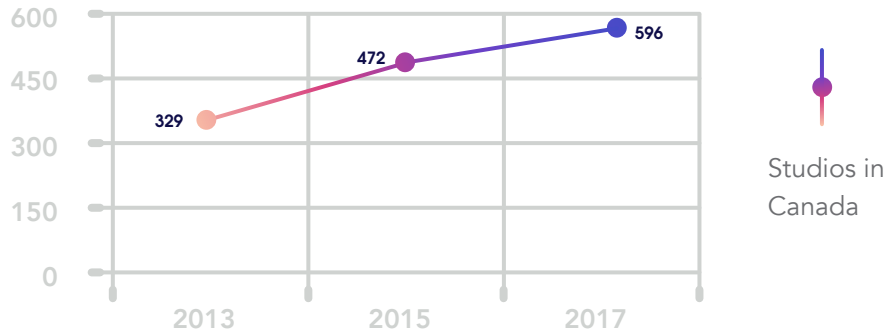
2017

SIZE

596

**ACTIVE
STUDIOS IN
CANADA**
+21% increase
since 2015

STUDIOS IN CANADA



The industry saw the greatest increase in number of companies in the Small, Medium and Large categories, which lumped together increased by about **29%** over the past 2 years.



Micro:
(0-4)
228



Small:
(5-25)
241



Medium:
(26-59)
62



Large:
(60-99)
39

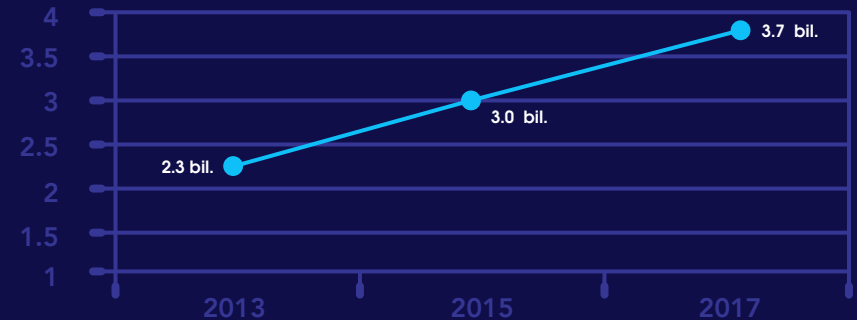


Very Large:
(100+)
26

3.7

**BILLION IS ADDED
TO CANADA'S
GDP ANNUALLY**

GDP (BILLION \$)



This GDP contribution represents a **24% increase** from the total impact on the Canadian economy from 2015. For context, Stats Canada reports that the Canadian economy as a whole grew by approximately 4% over the same period.

In other words, the video game industry has **grown significantly faster** than the wider economy.



40,600

**DIRECT AND INDIRECT
JOBS CREATED WITHIN
THE CANADIAN
ECONOMY (FULL-TIME
EQUIVALENT POSITIONS)**

+11% *Increase*
since 2015

EMPLOYMENT

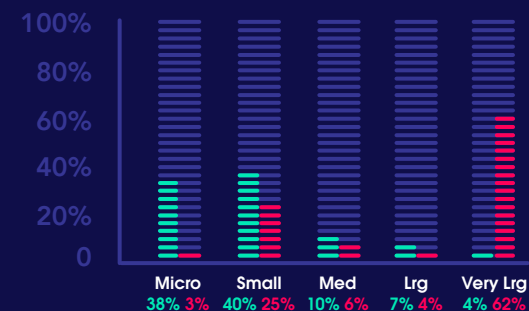
DIRECTLY EMPLOYED



DISTRIBUTION

Most of the industry's employment can be attributed to a small number of **Very Large** companies:

■ % of companies
■ % of employment



21,700

DIRECTLY EMPLOYED FULL-TIME EQUIVALENT POSITIONS

+6% Increase since 2015

\$77,300 / YEAR

Average salary for a full-time worker

+8% increase since 2015

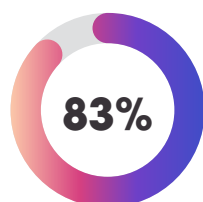
83%

OF EMPLOYEES

are at the Senior or Intermediate levels

Company
OWNERSHIP

■ Canadian-owned
■ Foreign-owned

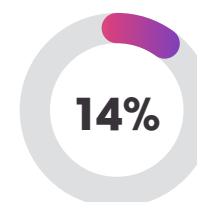


83% of all companies are Canadian-owned and controlled

17% of all companies are Foreign-owned and controlled

Employment
IN INDUSTRY

■ Employment by Canadian-owned
■ Employment by Foreign-owned



14% of all employment in the industry is in Canadian-owned companies

86% of all employment in the industry is in Foreign-owned companies











2,1000

NUMBER OF VIDEO GAME
PROJECTS COMPLETED BY
COMPANIES IN CANADA

+67% *Increase*
since 2015

OUTPUT

PROJECTS COMPLETED

Platform	Share of Total	Change in share of total from 2015
 Web	31%	increase 8% ↑
 Mobile	29%	decrease 36% ↓
 Console	18%	increase 5% ↑
 PC/Mac	14%	increase 7% ↑
 Kiosk/Standalone	5%	increase 4% ↑
 VR	1%	---
 Social Network	0.4%	decrease 1.6% ↓
 Other	2%	decrease 1% ↓

MOBILE GAME DEVELOPMENT IN DECLINE GLOBALLY



of developers reported that they were currently developing a game for a mobile platform

-12% decrease since 2015



of video game developers were currently working on a VR game in 2017

+7% Increase since 2016

*Source: Game Development Conference's 2017 State of the Game Industry report

AVERAGE PROJECT RESOURCES by platform, (2017 and 2015 compared)

Platform	Budget	% Change from 2015	Team Size	% Change from 2015	# of Days	% Change from 2015
Console	\$12,536,957	↓ 26%	40	↓ 26%	405	↓ 16%
Mobile	\$497,051	↓ 1%	6	↓ 37%	172	↓ 9%
PC/Mac	\$2,454,848	↓ 22%	13	↓ 18%	503	↑ 49%
Web	\$30,833	↓ 95%	2	↓ 71%	57	↓ 67%
VR	\$91,889	↓ 51%	2	↓ 46%	22	↓ 81%

GENRES COMPLETED (share of total & change in share of total from 2015)



Family oriented: 26%
↑ increase 13%



Serious: 15%
↑ increase 11%



Action/Adventure: 15%
↓ decrease 6%



RPG: 6%
↓ decrease 2%



Puzzle: 6%
↓ decrease 5%



Strategy: 4%
↓ decrease 3%

INNOVATION

THE GLOBAL *video game industry* IS AT THE CUTTING EDGE OF TECHNOLOGICAL INNOVATION. WITH EVERY GENERATION OF CONSOLES, OR COMPUTER PROCESSORS, GAMES PUSH THE ENVELOPE AND *redefine interactive digital entertainment*. GAME COMPANIES IN CANADA ARE CONTINUALLY INNOVATING ON PROCESSES AND PRODUCTS – AND THESE INNOVATIONS *have an impact* ON THE WIDER CANADIAN ECONOMY.

50%

OF COMPANIES INDICATED THEY CREATED AT LEAST ONE PROCESS INNOVATION IN 2017



indicated they created an innovative product in 2017

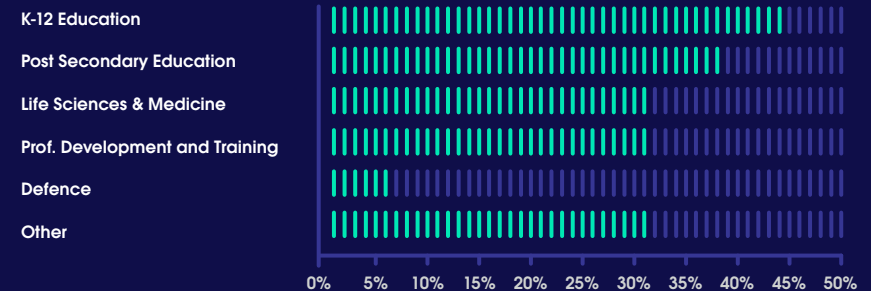
Process Innovation: The implementation of a new or significantly improved production process, distribution method, or supporting activity

Product Innovation: The market introduction of a new or significantly improved good or service with respect to its capabilities, user friendliness, components or sub-systems



of these respondents indicated that their products had been used for non-entertainment purposes

WHAT TYPES OF NON-ENTERTAINMENT APPLICATIONS ARE THEIR PRODUCTS USED FOR?



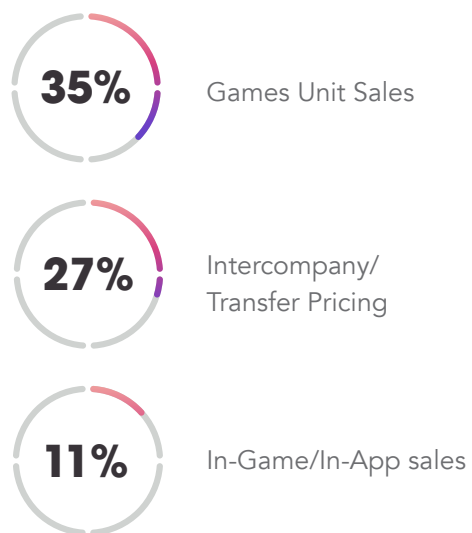
of companies reported that process innovations originated from collaborations with other business units



of companies reported that process innovations originated from collaborations with other businesses or institutions in the Canadian economy

REVENUE

REVENUE AMONG *Video Game Companies* COME FROM



EXPORT REVENUE

75%

of industry revenues among video game companies comes from export sales
-15% decrease in the total share from 2015

GEOGRAPHY



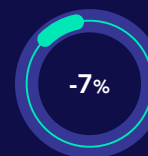
QUEBEC

198 companies



increase since 2015

10,000 full-time employees



decrease since 2015

GEOGRAPHY



ONTARIO

171 companies



increase since 2015

3,800 full-time employees



increase since 2015



BRITISH COLUMBIA

152 companies



increase since 2015

5,900 full-time employees



increase since 2015

DEMOGRAPHIC



OF CANADIANS
DEFINE THEMSELVES
AS "GAMERS"

→ HOWEVER,

52%

51%



of gamers
are male

49%



of gamers
are female

of Canadians are actually
"gamers", as they have played
in the past 4 weeks

36 YEARS OLD

average age of a Canadian gamer

18,868,917

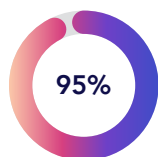
CANADIANS
ARE "Gamers"



The Entertainment Software Rating Board (ESRB) is the non-profit, self-regulatory body that assigns ratings for video games and apps so consumers, especially parents, can make informed choices about the ones they deem suitable for their children and family.

ESRB RATINGS HAVE THREE PARTS

- ✂ **Rating Categories** suggest age appropriateness.
- ✂ **Content Descriptors** indicate content that may have triggered a particular rating and/or may be of interest or concern.
- ✂ **Interactive Elements** inform about interactive aspects of a product, including the users' ability to interact, the sharing or user's location with others, if personal information may be shared with third parties, in in-app purchases of digital goods are completed, and/or if unrestricted internet access is provided.



Of Canadian adult gamers agree that the ESRB Ratings System is very useful to help parents buy & rent age-appropriate games for their children.



Administered by many of the world's game rating authorities, the **International Age Rating Coalition (IARC)** provides globally streamed age classification process for digitally delivered games and mobile apps, helping to ensure the consistent cross-platform accessibility of established, trusted age ratings by today's digital consumers. The five rating authority participants, which collectively represent regions serving approximately 1.5 billion people, monitors to ensure accurate ratings and the system enables the prompt correction of ratings when necessary.

- ✂ **Classificação Indicativa (ClassInd)** - Brazil
- ✂ **Classification Board** – Australia
- ✂ **Entertainment Software Rating Board (ESRB)** – North America
- ✂ **Pan European Game Information (PEGI)** – Europe
- ✂ **Unterhaltungssoftware Selbstkontrolle (USK)** - Germany

PARTICIPATING STOREFRONTS



ESAC

ABOUT ESAC

The Entertainment Software Association of Canada (ESAC) is the voice of the Canadian video game industry. It works on behalf of its members to ensure the legal and regulatory environment is favourable for the long-term development of Canada's video game industry.



The information in Essential Facts 2017 contains original information from:


Canada's Video Game Industry 2017 prepared for ESAC by Nordicity. The report gathered quantitative and qualitative data between April - June 2017 from 104 video game companies in Canada.

Understanding The Canadian Gamer 2016 prepared for ESAC by NPD. The report gathered data from 2467 adults (18-64), 270 teens (13-17), and 261 children (6-12) between April 29 - May 20, 2016. The margin of error associated with the total sample is 5% or 19 times out of 20.

Available online at www.theesa.ca/resources/essential-facts/

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 Entertainment Software
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