

Broadband to Boost Online Gaming

July 07, 2004

A recent study by DFC Intelligence predicts that worldwide online game revenues will reach \$9.8 billion by 2009.

DFC believes that the key to the expansion of online gaming is greater use of broadband by consumers. For 2003, it finds that Asia is the largest broadband market, followed by North America and Europe (eMarketer supports these findings with estimates of 39.8 million in the Asia-Pacific region, 29.1 million in North America and 20 million in Western Europe.)

Broadband Households in Asia, North America and Europe, 2003 (In millions)



Source: DFC Intelligence, July 2004

058797 ©2004 eMarketer, Inc.

www.eMarketer.com

Worldwide online game revenues show a correlation between broadband households and revenues. For example, in 2003, worldwide online game revenues reached \$1.9 billion, with 50% of that revenue generated in Asia and only 10% generated in Europe.

Online game revenues will grow five-fold between 2003 and 2009 reaching \$9.8 billion. DFC predicts that while Asia will still account for a greater chunk of the market in 2009 over the coming years, Europe will be the fastest growing region.

Worldwide Online Game Revenues, 2003, 2006, 2009 (In billions)



Source: DFC Intelligence, July 2004

058798 ©2004 eMarketer, Inc.

www.eMarketer.com

In addition to broadband adoption, other trends are bolstering the online gaming market, including the steady rise of female gamers (for some gaming services, 50% of users are female), and an increase in the number of "casual" and "moderate" gamers, who will account for 73% of online game usage in 2009, compared to 62% in 2003. Still, broadband will be key, and with Yankee Group expecting the number of broadband subscribers worldwide to more than triple between 2003 and 2007, online gaming will surely grow.