2004

SALES, DEMOGRAPHICS AND USAGE DATA

ESSENTIAL FACTS

ABOUT THE COMPUTER AND VIDEO GAME INDUSTRY

esa

entertainment software association

"This is the year that video games step up alongside movies, music, books and theater to become a legitimate, pervasive and persuasive part of the fabric of America. Games are moving to the center of our living rooms…. They're becoming a force in other types of entertainment, spawning books and movies — not the other way around. And the ins and outs of games — their subjects, features and release dates — are increasingly pushing traditional media out of the entertainment headlines."

— Heather Newman and Jim Schaffer, Knight Ridder, May 29, 2003

WHAT'S INSIDE?

WHO PLAYS WHAT?

Who PLAYS Computer and Video Games?

The average game player age is:
29

AGE
OF GAME PLAYERS
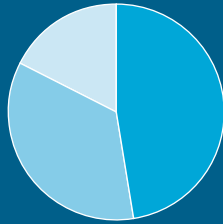
34.0% under 18 years
46.0% 18-50 years
17.0% 50+ years

GENDER
OF GAME PLAYERS
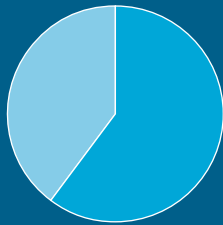
59.0% male
39.0% female

Source: Peter D. Hart Research Associates for the ESA

Who BUYS Computer and Video Games?

The average game buyer age is:
36

Will Gamers Keep Playing?

53%
of game players expect to be playing as
much or more ten years from now
as they do today.

WHO PLAYS WHAT?

What Were the Best-Selling Game Genres in 2003?

BEST-SELLING VIDEO GAME GENRES
(by units sold)

4.7% Family entertainment
6.9% Fighting
8.6% First-person shooters
8.7% Role-Playing
11.3% Racing

27.1% Action
17.6% Sports
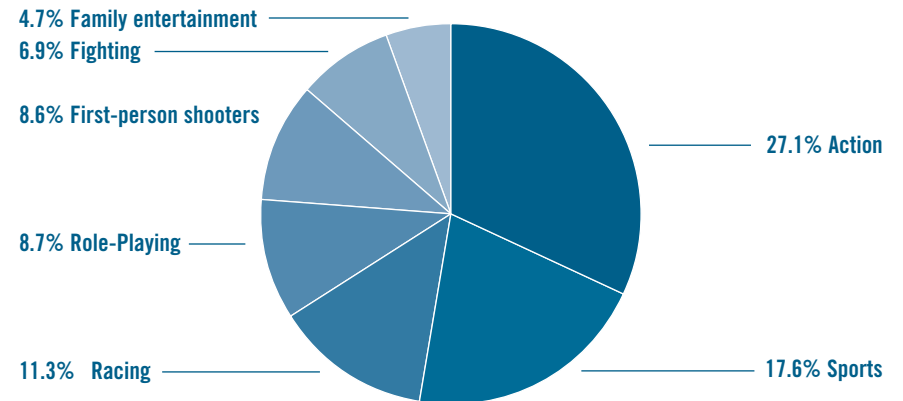
Source: The NPD Group / NPD Funworld® / TRSTS®

BEST-SELLING COMPUTER GAME GENRES
(by units sold)

3.5% Simulation
4.3% Racing
5.2% Adventure
5.9% Sports
8.7% Role-Playing
10.0% Family entertainment
12.2% Children's

27.2% Strategy
13.5% Shooter

Source: The NPD Group / NPD Techworld℠

WHO PLAYS WHAT?

2002 v 2003
COMPUTER AND VIDEO GAME SALES BY ESRB RATING
(by units sold)

EVERYONE (E)

	2002	2003
	55.7%	54.0%

TEEN (T)

	2002	2003
	27.6%	30.5%

MATURE (M)

	2002	2003
	13.2%	11.9%

Source: The NPD Group / NPD Funworld® TRSTS® and NPD Techworld℠ / The ESA

TOP 20 SELLING VIDEO GAMES OF 2003 by units sold:

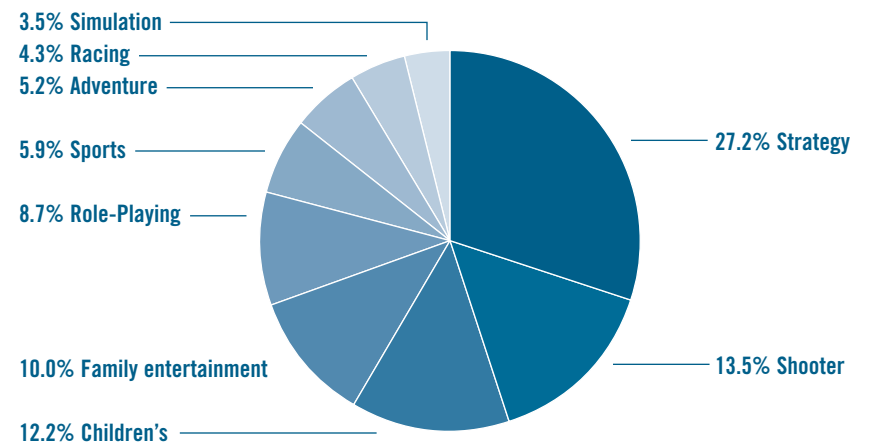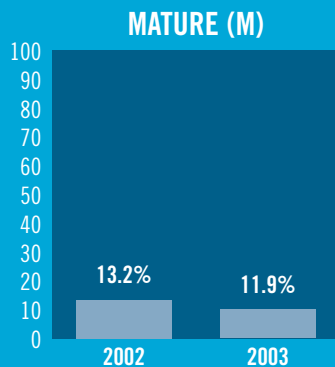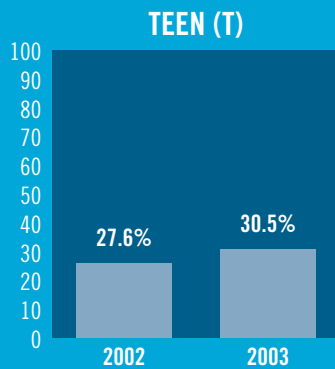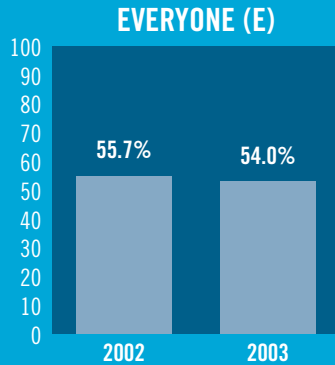| RANK	TITLE	PLATFORM	PUBLISHER	RATING
1	Madden NFL 2004	PS2	EA	E
2	POKEMON Ruby	GBA	Nintendo	E
3	POKEMON Sapphire	GBA	Nintendo	E
4	Need for Speed: Underground	PS2	EA	E
5	Zelda: The Wind Waker	GCN	Nintendo	E
6	Grand Theft Auto: Vice City	PS2	Take2	M
7	Mario Kart: Double Dash!!	GCN	Nintendo	E
8	Tony Hawk's Underground	PS2	Activision	T
9	Enter the Matrix	PS2	Infogrames	T
10	Medal of Honor Rising Sun	PS2	EA	T
11	NCAA Football 2004	PS2	EA	E
12	Halo	XBX	Microsoft	M
13	True Crime: Streets of LA	PS2	Activision	M
14	Final Fantasy X-2	PS2	Square Enix	T
15	NBA Live 2004	PS2	EA	E
16	SOCOM II: US Navy Seals	PS2	SCEA	M
17	Grand Theft Auto 3	PS2	Take2	M
18	NBA Street Volume 2	PS2	EA	E
19	The Getaway	PS2	SCEA	M
20	Mario Brothers 3: Mario 4	GBA	Nintendo	E

Source: The NPD Group / NPD Funworld® / TRSTS®

TOP 20 SELLING COMPUTER GAMES OF 2003 by units sold:

RANK	TITLE	PUBLISHER	RATING
1	The Sims: Superstar Expansion Pack	EA	T
2	The Sims Deluxe	EA	T
3	Command & Conquer: Generals	EA	T
4	Warcraft III: Frozen Throne Expansion Pack	Blizzard Entertainment	T
5	The Sims: Makin' Magic Expansion Pack	EA	T
6	The Sims: Unleashed Expansion Pack	EA	T
7	Sim City 4	EA	E
8	Call Of Duty	Activision	T
9	Age Of Mythology	Microsoft	T
10	Battlefield 1942	EA	T
11	Zoo Tycoon	Microsoft	E
12	Roller Coaster Tycoon 2	Infogrames	E
13	Warcraft III: Reign Of Chaos	Blizzard Entertainment	T
14	Flight Simulator 2004: Century Of Flight	Microsoft	E
15	Star Wars Galaxies: An Empire Divided	Lucas Arts	T
16	Battlefield 1942: Road To Rome Expansion Pack	EA	T
17	Diablo 2	Blizzard Entertainment	M
18	Zoo Tycoon: Complete Collection	Microsoft	E
19	Halo: Combat Evolved	Microsoft	M
20	Age Of Empires 2: Age of Kings	Microsoft	T

Source: The NPD Group / NPD Techworld℠

"Playing video games is as normal to the younger generation as hanging out at the malt shop was to their grandparents. Nearly every college student has played a video game and two-thirds of those surveyed still play at least occasionally. It's just a part of their daily activity. And it's social."

— Editorial page, *Arizona Republic*, July 9, 2003

WHO PLAYS WHAT?
PARENTS* AND GAMES

87%
of the time parents are present when games are purchased or rented.

92%
of parents monitor the content of the games their children are playing.

55%
of parents play computer or video games with their children at least once a month.

61%
of parents believe games are a positive part of their children's lives.

83%
of the time children receive their parents' permission before purchasing or renting a game.

*Parents with kids under 18 who also own a game console or computer used to play games.

WHO PLAYS WHAT? ONLINE GAMES

How Many Gamers Play Games Online?

43% of most frequent game players say they play games online, up from 37% last year and 31% in 2002.

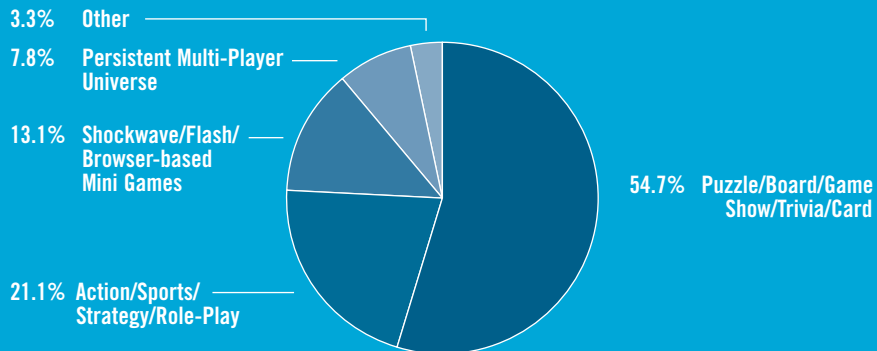|	2002	2003	2004
	31%	37%	43%

(Scale: 0–100)
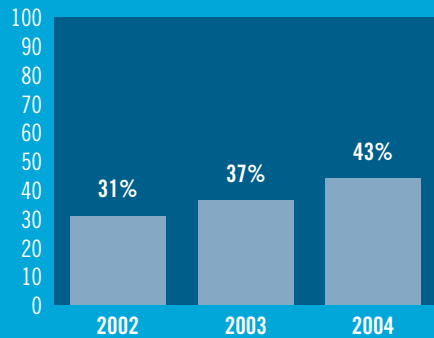
Who Plays Games Online?

60% of online game players are male

40% of online game players are female

What Kind of Games are Played Online Most Often?
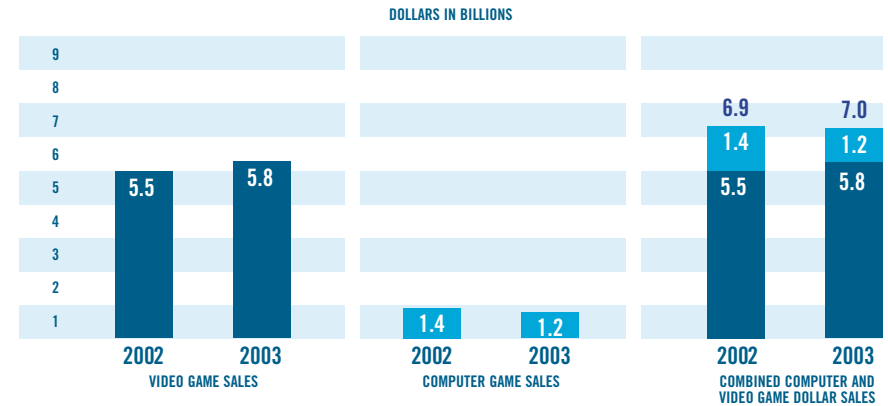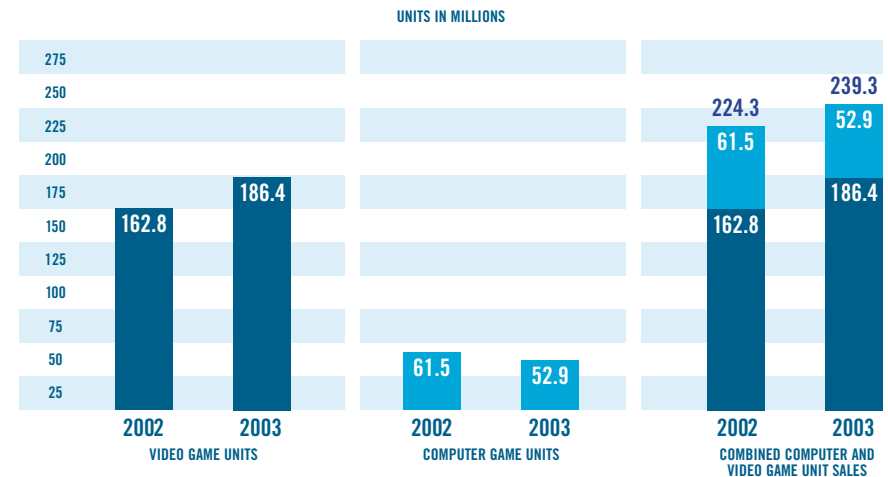
- 3.3% Other
- 7.8% Persistent Multi-Player Universe
- 13.1% Shockwave/Flash/Browser-based Mini Games
- 21.1% Action/Sports/Strategy/Role-Play
- 54.7% Puzzle/Board/Game Show/Trivia/Card

WHAT'S THE BOTTOM LINE?

RECENT SALES INFORMATION

U.S. COMPUTER AND VIDEO GAME DOLLAR SALES: 2002 AND 2003
DOLLARS IN BILLIONS

(Scale: 1–9)

	2002	2003
VIDEO GAME SALES	5.5	5.8
COMPUTER GAME SALES	1.4	1.2
COMBINED COMPUTER AND VIDEO GAME DOLLAR SALES	6.9 (1.4 + 5.5)	7.0 (1.2 + 5.8)

U.S. COMPUTER AND VIDEO GAME UNIT SALES: 2002 AND 2003
UNITS IN MILLIONS

(Scale: 25–275)

	2002	2003
VIDEO GAME UNITS	162.8	186.4
COMPUTER GAME UNITS	61.5	52.9
COMBINED COMPUTER AND VIDEO GAME UNIT SALES	224.3 (61.5 + 162.8)	239.3 (52.9 + 186.4)

Source: The NPD Group / NPD Funworld® / TRSTS® and NPD Techworld℠

How Many Games Sold Over 250,000 Units in 2003?

A record nine console games sold more than one million units, and all were rated E or T. Thirty-nine console games sold more than 500,000 units, and 83 exceeded 250,000 units.
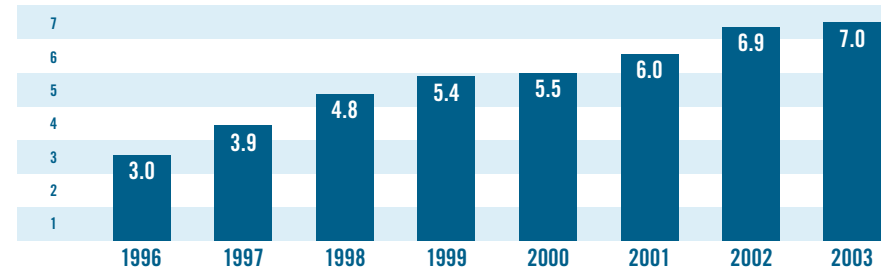
"Has there ever been a cultural sea change as stealthy as the one represented by the rise of interactive entertainment? To anyone who came of age after, say, the introduction of the first Sony Playstation in 1995, video gaming is every bit as central to the pop-entertainment universe as movies or music…. No one would think of denying that video games are big, but few grown-ups outside the business have an understanding of just how big they've become."

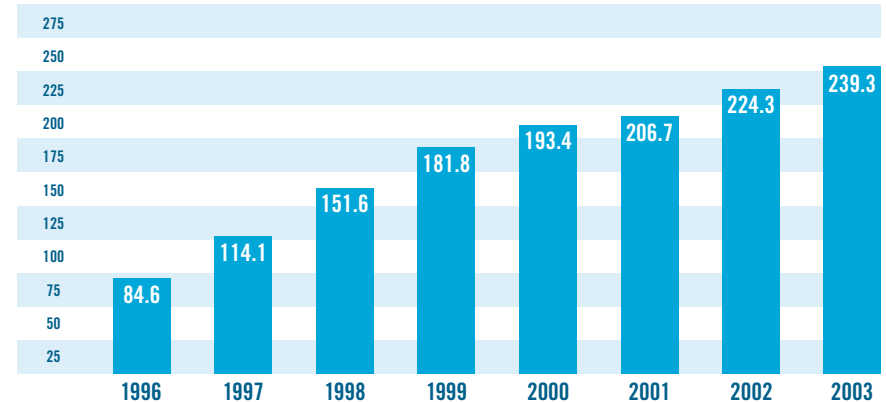— Jonathan Dee, *New York Times Magazine*, December 21, 2003

WHAT'S THE BOTTOM LINE?

HISTORICAL SALES INFORMATION

U.S. COMPUTER AND VIDEO GAME DOLLAR SALES GROWTH
DOLLARS IN BILLIONS

Year	Dollars (Billions)
1996	3.0
1997	3.9
1998	4.8
1999	5.4
2000	5.5
2001	6.0
2002	6.9
2003	7.0

U.S. COMPUTER AND VIDEO GAME UNIT SALES GROWTH
UNITS IN MILLIONS

Year	Units (Millions)
1996	84.6
1997	114.1
1998	151.6
1999	181.8
2000	193.4
2001	206.7
2002	224.3
2003	239.3

Source: The NPD Group / NPD Funworld® / TRSTS® and NPD Techworld℠

How Many American Households Expect to Buy Games in 2004?

54%
of American households have purchased or plan to purchase one or more games in 2004.

WHO ARE WE?

About The Entertainment Software Association

Formed in 1994, the Entertainment Software Association (ESA), formerly the Interactive Digital Software Association, is the U.S. association exclusively dedicated to serving the business and public affairs needs of companies that publish video and computer games for video game consoles, personal computers, and the Internet.

Association members include the nation's leading interactive entertainment software publishers, which collectively accounted for more than 90 percent of the $7 billion in entertainment software revenues generated in the United States in 2003, and billions more in export sales of U.S.-made entertainment software.

The ESA offers a range of services to its members including operating a global anti-piracy program, staging the Electronic Entertainment Expo trade show, fielding business and consumer research, and representing the industry at the federal, state and local levels on a wide range of policy issues.

ESA Members

Acclaim Entertainment, Inc.	www.acclaim.com
Activision, Inc.	www.activision.com
Atari	www.atari.com
Buena Vista Games	www.buenavistagames.com
Capcom USA, Inc.	www.capcom.com
Crave Entertainment	www.cravegames.com
Eidos Interactive	www.eidosinteractive.com
Electronic Arts	www.ea.com
id Software	www.idsoftware.com
Konami Digital Entertainment-America	www.konami.com
LucasArts	www.lucasarts.com
Microsoft Corporation	www.microsoft.com
Midway Games, Inc.	www.midway.com
Namco Hometek, Inc.	www.namco.com
Nintendo of America Inc.	www.nintendo.com
NovaLogic, Inc.	www.novalogic.com
SEGA of America, Inc.	www.sega.com
Sony Computer Entertainment America	www.playstation.com
Square Enix U.S.A., Inc.	www.square-enix-usa.com
Take-Two Interactive Software, Inc.	www.take2games.com
THQ, Inc.	www.thq.com
Ubi Soft Entertainment	www.ubi.com
Vivendi Universal Games	www.vugames.com
Wild Tangent	www.wildtangent.com

As of May 2004

RESOURCES

For more information on the ESA and its programs, please visit:

www.theESA.com

Entertainment Software Rating Board (ESRB) www.esrb.org
The Entertainment Software Rating Board (ESRB) is a self-regulatory body established in 1994 by the Entertainment Software Association (ESA). ESRB independently applies and enforces ratings, advertising guidelines, and online privacy principles adopted by the industry.

Academy of Interactive Arts and Sciences www.interactive.org
Located in Los Angeles, CA, the Academy of Interactive Arts & Sciences (AIAS) is an official professional academy of the $7+ billion interactive entertainment software industry. AIAS is supported by the industry's leading companies.

E³ www.e3expo.com
The Electronic Entertainment Expo (E³), "Where Business Gets Fun," is the world's largest trade event exclusively dedicated to showcasing interactive entertainment and educational software and related products.

Interactive Entertainment Merchants Association (IEMA) www.iema.org
The Interactive Entertainment Merchants Association (IEMA) is the only U.S. trade association dedicated to serving the business interests of leading retailers that sell interactive entertainment software (including video and computer games, multimedia entertainment, peripherals and other software).

The NPD Group, Inc. www.npd.com
Since 1967 The NPD Group has provided the most reliable and comprehensive sales and marketing information available for a wide range of industries. As the gold standard for market information in each industry we track, more than 1,300 manufacturers and retailers rely on NPD to help them better understand their customers, product categories, distribution channels and competition in order to help guide their business and positively impact sales and revenues.

> "Interactive entertainment is an incredibly rich art form, and an incredibly powerful form of expression. Still in its infancy, we've already accomplished amazing things, and we have still not yet seen the best this technology has to offer."
>
> — Douglas Lowenstein, president, Entertainment Software Association

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