



The State of the Video Gamer

*PC Game and Video Game
Console Usage*

Fourth Quarter 2008

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Key Takeaways

- More sophisticated consoles such as the PlayStation 3 and Xbox 360 attract the more engaged console users, who are less likely to be watching television in Prime Time than users of other consoles.
- The PlayStation 2, while still leading all other consoles in total minutes of usage, continues to have the highest downward trending rate of usage. Trending data suggests by the end of 2009, the PlayStation 2 will no longer be the most used console in the United States.
- Females 25 years of age and older make up the largest block of PC game players accounting for 46.2 percent of all players and 54.6 percent of all game play minutes in December 2008.
- The most played games on the PC are card games from Microsoft, with the most played game being Solitaire with over 17 million players for the month of December 2008.
- Females 55+ over index in terms of their PC game play versus all other demographic groups.

Introduction

Video games have grown in popularity as a form of entertainment over the past several years. Video game sales have thus far been little affected by the downturn in the economy. Both game consoles sales and video game sales continue to have healthy growth. As game consoles have matured into multimedia hubs, the average age of the user of the game console has steadily increased.

Video game growth is not confined to the console. PC gaming is alive and well, handheld console games continue their popularity, and new platforms such as mobile phones offer new possibilities for game developers. Video games encompass a broad spectrum of genres, platforms and price.

Methodology

Data in this analysis comes from two national panels which are then processed by the GamePlay Metrics syndicated reporting system. The source for console metered data is Nielsen's National People Meter (NPM) sample of more than 17,000 US television households. When metering sample households, Nielsen monitors not just television activity on all metered televisions but the usage of any device attached to the television including video game consoles – old or new. When a video game console is the detected source, we collect and process usage and demographic data for the console just as we would a television viewing source. This NPM sample provides the ratings data which is used as the currency for the \$70 billion television advertising industry.

For electronic measurement of PC games, the Nielsen MegaPanel® sample of more than 185,000 US tracked PC's is used. The software based metering technology allows for individual programs to be identified. When a program is run on a PC, the program name as well as the person(s) using the PC is collected by the meter.

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Characteristics of the Console User

Using Nielsen's National People Meter sample, we have the opportunity in a single source panel to see television viewing patterns of video game console users. Using the December 2008 data in GamePlay Metrics, we can see the predominant characteristics of console users as shown in Figure 1.

The PlayStation 3 and Xbox 360 are regarded as the console of choice for the hardcore gamer. Both PlayStation 3 and Xbox 360 console user type's fall into the 'Heavy' category of usage classified by terciles. Television usage for PlayStation 3 and Xbox 360 users is primarily medium to light. Primary PlayStation 3 users are older than users of any other console tracked. The most active gamers tend to be younger males in the 12 to 17 range, living in homes that have incomes of \$75,000 or more.

Figure 1 December 2008 Console User Primary Characteristics

	Usage Min %	Active User %	Avg Session Mins	Avg Usage Days	Daily Avg Num Sessions	Console User Type	TV User Type	Age Group	Income
PlayStation 3	8.1	10.6	64	6.8	2.42	Heavy	Medium	25-34	\$75K+
PlayStation 2	28.3	9.6	71	5.5	1.98	Heavy	Heavy	12-17	\$75K+
Xbox 360	17.4	11.4	78	7.1	2.15	Heavy	Light	12-17	\$75K+
Xbox	8.4	10.2	77	5.6	1.94	Heavy	Heavy	12-17	\$75K+
Wii	16.4	6.8	58	5.0	1.78	Medium	Light	6-11	\$75K+
GameCube	3.3	7.9	65	4.5	1.82	Heavy	Light	6-11	\$75K+

Source: The Nielsen Company – GamePlay Metrics

The active user percent tells us how often a person used their console out of the total amount of time the console could have been used during the measurement period. The PlayStation 3 and Xbox 360 are the most used consoles with the highest active user percent. The Wii owner's have the fewest average usage days and the shortest daily average number of sessions.

Consoles tend to be used similarly in three distinct groups. The first group includes the Xbox 360 and PlayStation 3. These two consoles have the highest active user percent measures of any other console Nielsen measures. They also have the highest average usage days and daily average number of sessions. The PlayStation 3 and Xbox 360 have more features and functions than other consoles Nielsen measures. The next set of consoles which have similar primary usage characteristics are the PlayStation 2 and the Xbox. Primary users in the set play at least once a week for more than an hour. The average usage days and daily average number of session are almost identical for users of both the Xbox and PlayStation 2.

The third set of like used consoles are the Wii and GameCube. The Wii and GameCube have similar, and the smallest numbers in terms of daily average number of sessions, average usage days, and active user percent. Predominant users of the Wii and GameCube are likely to use these consoles at most once a week and for fewer minutes and the fewest number of sessions compared to the other two groups of consoles.

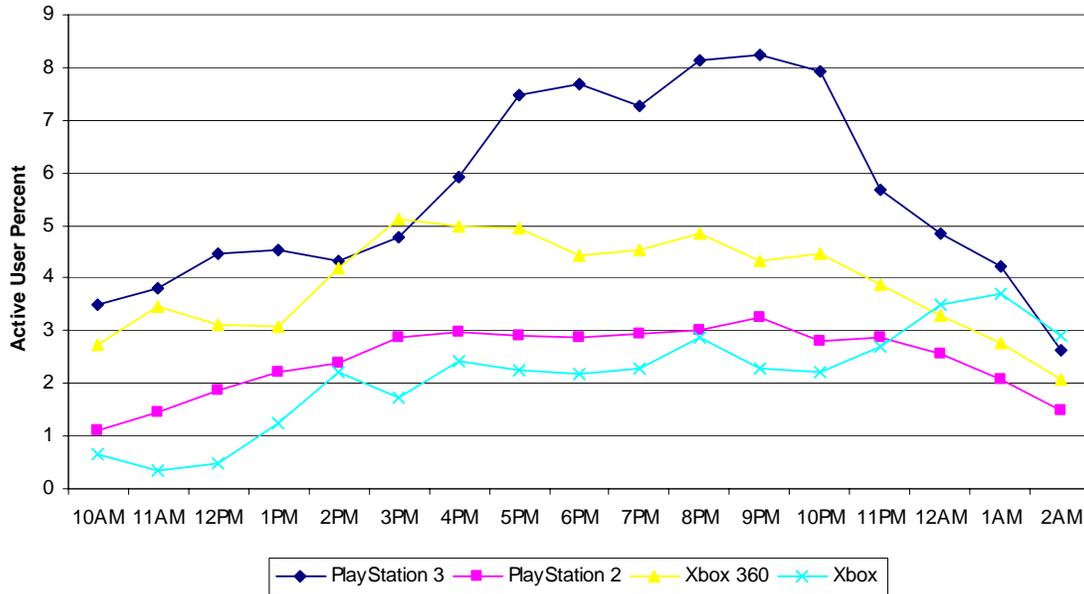
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The other key finding when analyzing the console groupings is the PlayStation3 and Xbox 360 set tends to be in the medium to light tercile for television usage. Conversely the PlayStation 2 and Xbox set are in the heavy television tercile. The Wii and GameCube set are all in the light tercile for television usage.

The Console Users Television Consumption

To understand when consoles are utilized during the day, we will examine PlayStation and Xbox console users who are 18 to 24 years old and have household incomes \$75,000 or more. The majority of console usage occurs between 3pm and 10pm. There is a noticeable dip around 7pm for all consoles as demonstrated by Figure 2. The graph in Figure 2 also visually shows the engagement of the console user with the console via the active user percent. PlayStation 3 console users clearly use their consoles as a group more than any other console type we track.

Figure 2 December 2008 Persons Console Hourly Analysis Active User % [Age 18-24, Income 75K+]



Source: The Nielsen Company – GamePlay Metrics

Since a good portion of PlayStation 3 console usage occurs during the television prime time hours, the question of what programs are heavy console users watching, and when are they watching is important.

For December 2008, we can look specifically at program viewing for persons who used their console during the month. For males in the heavy console usage tercile ages 18 to 24 who used the PlayStation 3 in December 2008, the top 30 programs viewed on broadcast networks were not in prime time. The most popular dayparts were weekday afternoon and late fringe. Conversely, when cable network viewing is examined, 17 percent of the top programs viewed were in prime time. The bulk of the remaining viewing occurs in late fringe, weekday mornings and afternoons.

The trend for top television programs outside of prime time is not restricted to just PlayStation 3 console users. Figure 3 shows which cable and broadcast programs were most viewed by male console users ages 18 to 24 in the heavy usage tercile. Cable television has three programs in prime time within the top ten, and Broadcast television has no prime time programs in the top ten.

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Figure 3 December 2008 Male 18 to 24 Heavy Video Gamer most viewed television programs

Broadcast Television	Daypart	Cable Television	Daypart
NBC NIGHTLY NEWS	Early Fringe	FAMILY GUY	Late Fringe
TONIGHT SHOW	Late Fringe	HOUSE	Prime Time
ABC WORLD NEWS TONIGHT	Early Fringe	FX MOVIE PRIME	Prime Time
CONAN O'BRIEN	Late Fringe	SPORTSCENTER AM	Weekday Afternoon
LATE SHOW/DAVID LETTERMAN	Late Fringe	ROBOT CHICKEN	Late Fringe
CBS EVENING NEWS	Early Fringe	SPORTSCENTER MORNING	Weekday Morning
NOTICIERO UNIVISION	Early Fringe	COMEDY CENTRAL MOVIE	Prime Time
TODAY SHOW	Weekday Morning	FX MOVIE PRIME	Early Fringe
LEVANTATE	Weekday Morning	SPORTSCENTER EARLY	Early Fringe
GOOD MORNING, AMERICA	Weekday Morning	JOHNNY TEST	Weekday Morning

Source: The Nielsen Company – GamePlay Metrics

While Figure 3 focuses on the heavy tercile of console users looking at males aged 18 to 24, the top programs remain very similar when looking at the medium and light console usage terciles.

Time-shifted Viewing and Console Usage

Looking at the top 30 broadcast network programs viewed in prime time by the heaviest active users of the PlayStation 3, 23 percent of the programs consumed had some time shifted viewing. For the top 30 cable network programs in prime time for the same group, 47 percent of the programs consumed have some time shifted viewing.

Examining all heavy console users in prime time, some key patterns emerge. For the top 20 broadcast network shows having the most time-shifted viewing, females are the primary consumers of the time-shifted programming. Males and females age 18 to 24 consumed the majority of time-shifted programs. The program with the highest percent of time shifted viewing for females age 18 to 24 is Telemundo's Dona Barbara at 87 percent. For males age 18 to 24 the program with the highest percent of time shifted viewing is NBC's Heroes at 23 percent.

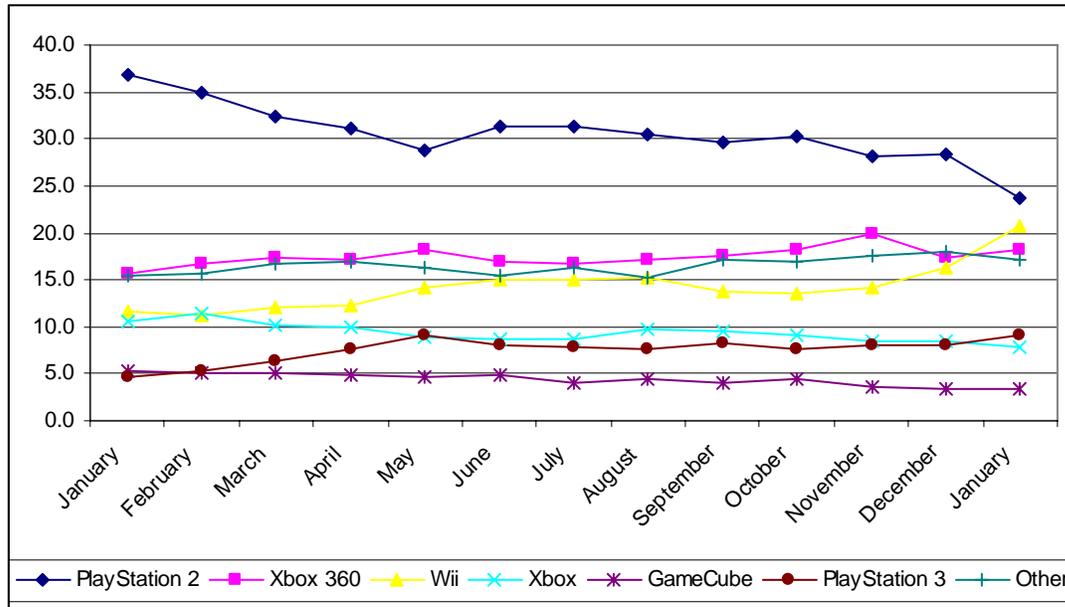
For cable network viewers who are in the heavy console tercile, the split between male and female time shifted viewers in the top 20 programs is roughly even. The program with the highest percent of time shifted viewing on cable networks for males is G4's X-Play at 43 percent and is most popular for the age group of 25 to 34. X-Play is a television program about video games. For females, the cable network program with the highest percent of time shifted viewing is MSNBC's The Rachel Maddow Show at 47 percent.

Trending Video Game Console Usage

Figure 4 shows the usage minutes for all tracked consoles each month from January 2008 to January 2009. Looking at the total usage minutes across all consoles for 2008, PlayStation 2 with the largest installed base still leads all other consoles. However the PlayStation 2 usage minutes are trending significantly down for the year. GameCube and Xbox usage minutes are slowly trending down for 2008. The Xbox 360 and Wii usage minutes are trending upward.

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Figure 4 January 2008 to January 2009 Video Console Usage Percents



Source: The Nielsen Company – GamePlay Metrics

The PlayStation 2 has the most pronounced downward decline. In examining the usage minutes by various market breaks, a correlation is seen in the decline based on income of the household. Households with incomes \$60,000 and above showed a drop of 25 percent of PlayStation 2 usage minutes from January to December 2008.

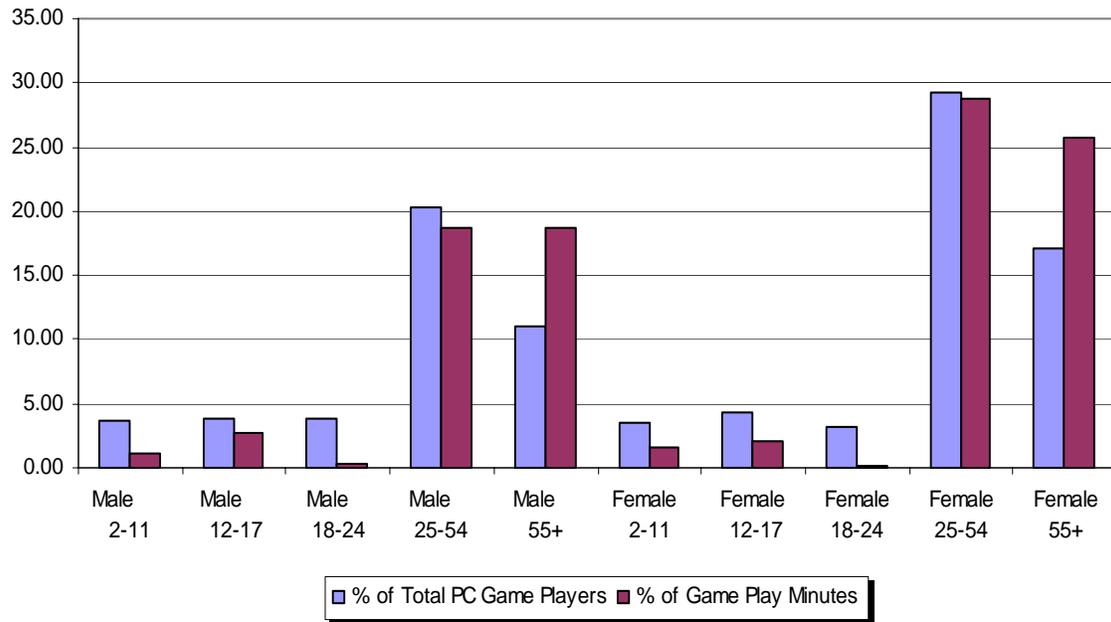
The PC Game Player

The Nielsen Company measures personal computer game play in the U.S. portion of the Nielsen MegaPanel, which has more 184,000 personal computers under measurement. Panelists in the MegaPanel install a software meter on their personal computer which enables Nielsen to track what programs are running on the personal computer. As of March 1st, 2009 Nielsen is tracking 1,777 individual PC game titles.

When we look at the composition of personal computer game players in the December 2008 data, the single largest group of personal computer video game players is females ages 25 to 54, accounting for approximately 29 percent of total personal computer game players. Males ages 25 to 54 account for the next largest block at roughly 20 percent of all personal computer game players. The complete distribution of unique game players by age and gender with the percent of total minutes played for December 2008 is presented in Figure 5.

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Figure 5 December 2008 Panel Composition by Total Minutes Played



Source: The Nielsen Company – GamePlay Metrics

When comparing the demographic segments percent composition to the amount of minutes the group contributed to the total minutes played, the demographic segment of females 55+ clearly stands out. The demographic break of females 55+ accounts for roughly 17 percent of the unique game players, but contribute almost 26 percent of total minutes of PC game play for December 2008. Both males and females, ages 18 to 24, significantly under index in terms of the amount of game play contributed versus their representation in the panel.

Top PC video games versus top PC Players

When examining the titles of the personal computer games that were most popular for these two segments, male and female 25 to 54, the PC games played primarily are card games. Most, but not all of the card games in the top 10 are pre-installed with the Microsoft Windows operating system. Both males and females ages 25 to 54 tend to play the top title, Solitaire, five times a week for about 30 minutes at a time. Within this group, the persons who play Solitaire the most are also in the top tercile for PC game players. The vast majority of players in this group are also white, with males primary occupation in a professional or management professions, and females occupation primarily in homemaking or administrative professions. Figure 6 shows the top games played based on unique players for males and females ages 25 to 54.

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Figure 6 December 2008 Top Games Played for Males and Females 25-54

Females 25-54		Males 25-54	
Title	Unique Players	Title	Unique Players
Solitaire	4,648,004	Solitaire	3,102,619
FreeCell	3,217,403	FreeCell	2,056,857
Great Escapes Solitaire	1,274,468	Hearts	1,192,649
Hearts	1,181,471	Pinball	886,687
Minesweeper	983,766	Minesweeper	786,304
Pinball	878,449	Great Escapes Solitaire	679,020
World of Warcraft	428,621	World of Warcraft	675,713
Chessmaster Challenge	334,440	Chessmaster Challenge	340,840
Jewel Quest	301,484	Zuma Deluxe	207,387
PICTUREKA! Museum			
Mayhem	265,006	Half-Life 2	170,968

Source: The Nielsen Company – GamePlay Metrics

Perhaps because of the popularity of the free games provided by Microsoft, many personal computer game publishers and developers have released their own versions of card games. In the December 2008 Top PC Title report for Nielsen Game Play Metrics, six other card games are in the top 100. While card and other casual games have wide appeal, they are not necessarily the games with the highest average minutes played.

Engaging PC Titles

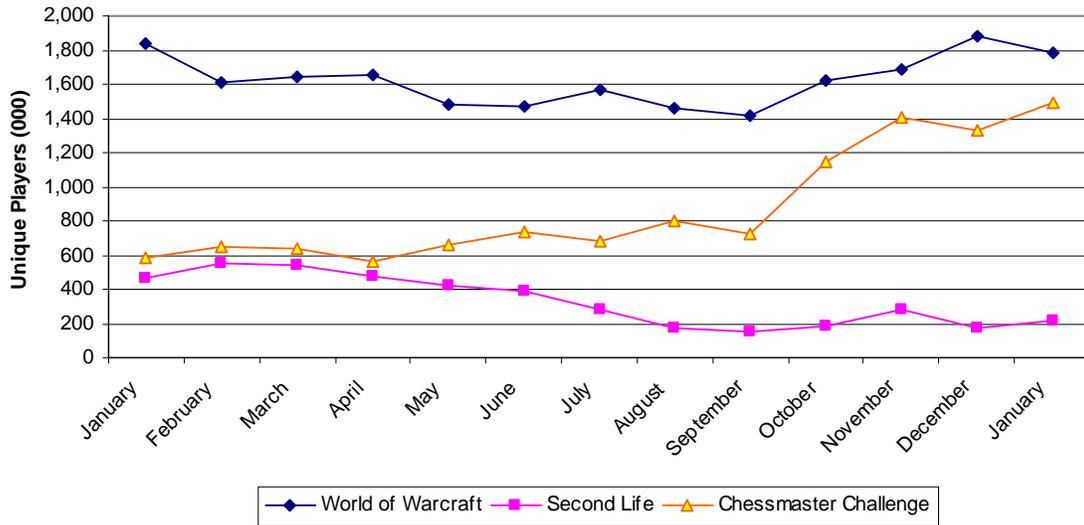
Looking again at the December 2008 PC gamer data, we can see which games for both males and females had the highest average minutes of play per week. The PC title IL-2 Sturmovik 1946 had the highest average minutes per week for a given player, but only had 6,978 unique players. World of Warcraft come in at a close second with 744 minutes of average play per week per player and a staggering 1,201,848 male players in the U.S.

In total for December 2008, Nielsen shows more than 1.8 million unique persons played World of Warcraft. For those users who played World of Warcraft, the most popular alternate game they played was Solitaire, followed by Warcraft III: Reign of Chaos.

Figure 7 shows the trend of unique players from January 2008 to January 2009 for World of Warcraft, Second Life and Chessmaster Challenge. World of Warcraft and Second Life show a decline in unique players during the summer months, with World of Warcraft regaining its players in the fall and winter. Second Life shows a marginal rise of players in November 2008, but never recovers back to the January and February 2008 levels. Chessmaster Challenge has a mild dip in the number of players in April 2008, but then an explosive growth in September 2008 through to January 2009

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Figure 7 January 2008 to January 2009 Unique Players



Source: The Nielsen Company – GamePlay Metrics

The primary source of information for this analysis comes from the Nielsen GamePlay Metrics product, a monthly syndicated reporting service. The GamePlay Metrics product gives you unparalleled insight into video game console usage and PC game play.

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