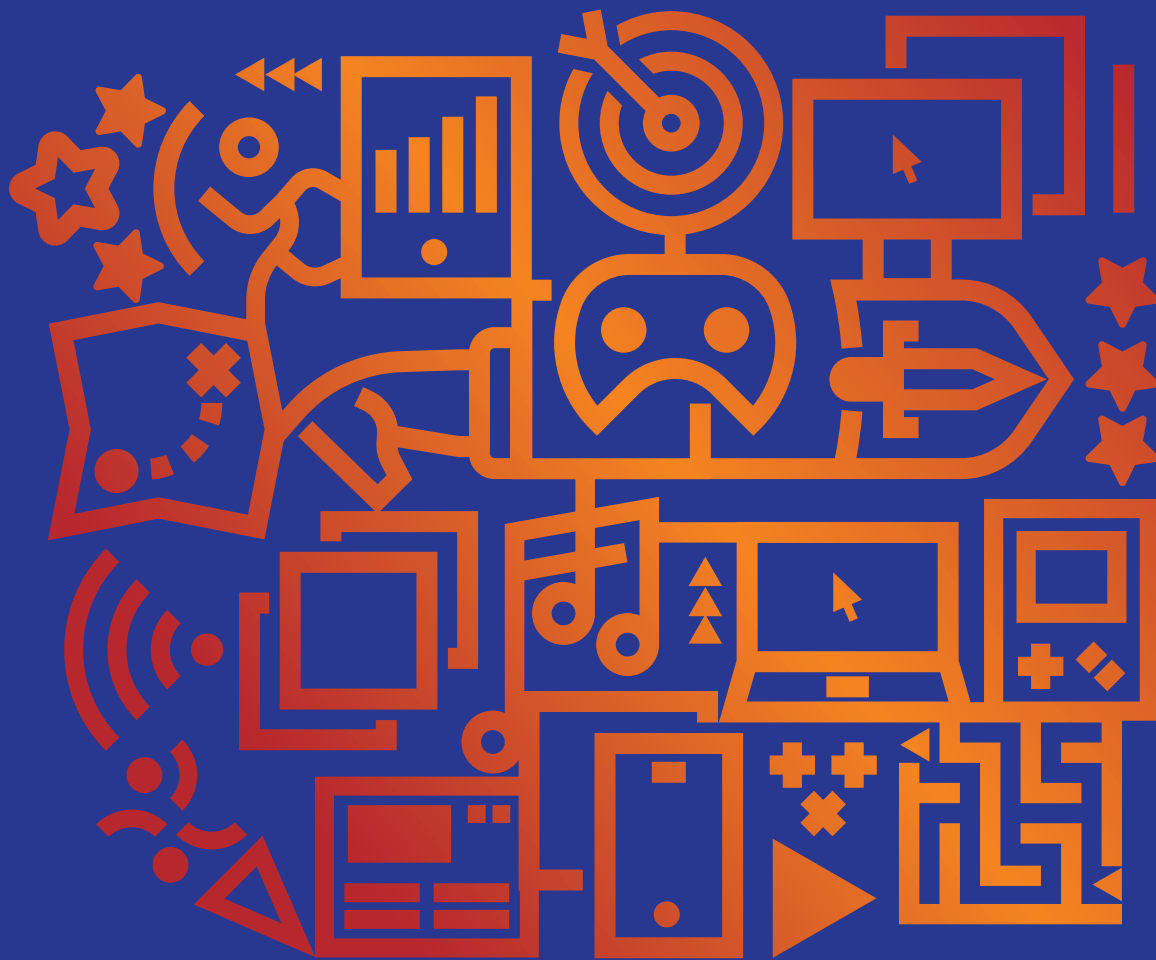










Landscape Report 2019

The Most Significant Information of
Digital Games Consumption in Iran

Knowledge
Directs
Differences



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Continuing the ten-year process of the Iran Computer and Video Games Foundation in conducting biennial surveys to monitor and analyze the data required for video games, when the world was facing special conditions of Covid19-, this program with a slight delay, was done diligently by all the efforts of the foundation's personnel.

With the hope that this survey and trend review results over the last decade will further highlight the importance and value of the digital gaming ecosystem at all levels for policymakers, legislators, and families.

A review of the survey's output in different sections shows that games as a medium or cultural product compared to other media or cultural and artistic products have found a significant role in the lifestyle, value system, and economy of people of different ages and social classes and created a significant difference in the number of audiences, the type of spending, and the penetration rate.

This survey's outcome and the relative analysis should be a preface to a new design, planning, and policy-making that provide appropriate responses and strategies for effective governance in this area and implement changes in the digital gaming ecosystem in technological dimensions and communication institutional capacities. From this capacity, serious steps should be taken to promote the industry and the games' content.

Sayed Sadegh Pejman
President of Iran Computer and
Video Games Foundation (IRCG)



— INTRODUCTION FROM THE RESEARCH DEPUTY —



The series of National Surveys of Digital Gamers in Iran has recently reached its tenth year. Moreover, despite all the issues caused by Covid19- pandemic, we have identified the state of game consumption in Iran as our fifth step, which results in numbers that can provide a reasonable history of what has happened in Iran's gaming market so far to better prepare for the future.

Although Mobile is still the most popular gaming platform in Iran and the driving force of this ecosystem, the users' reception of the eighth generation of consoles that leads to a resurgence of the average age, the surpassing of the console gamers over the computer gamers, and increasing the spending of the gamers (due to the rise in the exchange rate), perhaps has been the most important event of the recent period. In addition to re-emphasizing that games are not just for children, all the above ascertain the necessity of more intense gaming platforms. Hence, according to Iranian console-game developers' accomplishments in recent years, more efforts at the policy-making and firm level are expected to create console games.

Herein, the information presented in this report and subsequent reports from the survey stand out as the statistic of the megatrends of Iran's market compared to platform-level information (for example, about the mobile gaming community), firm-level, and even the information within the games (e.g., in the form of a case study of the success factors of a particular game).

A sole report published by DIREC or any other partner institution is insufficient to decide on the governance policies, investment, production, publishing, and other activities in this field. Thus, a holistic view of all this data is the preface to decision-making at all levels. However, the information obtained from the National Survey has been missing from the data shared by various organizations, and we hope that publishing it will be a step toward the excellence of this art industry in Iran.

Hamed Nasiri
Research Deputy of IIRCG



> The National Survey of Iran Computer and Video Games Foundation has been approximately held every two years since 2010, and the current report is a result of the analysis of the National Survey data of 2019. Due to the coronavirus epidemic and field research restrictions, this survey was conducted via the RDD method for the first time. The "stratified-Multistage Clustering" integrated sampling method was used to conduct the survey, and the clusters are available in all provinces of Iran, including state capitals, non-central cities, and villages of each province. On the other hand, Digital Game Research Center (DIREC) randomly generated all the phone numbers. Also, in data collecting, the information was gathered from more than 9,200 households, and more than 3,000 gamers were interviewed.

Landscape Report of 2019 indicates the most significant information on Iranian gamers' consumption until the end of 2019. In this report, a person playing at least an hour a week, on at least one of the main digital game platforms, including Mobile, Computer, or Game Console, is referred to as the digital game gamer. Also, to facilitate the report's reading, the numbers are rounded as possible.

Mohammad Reza Seydi
Director of Statistical Analysis



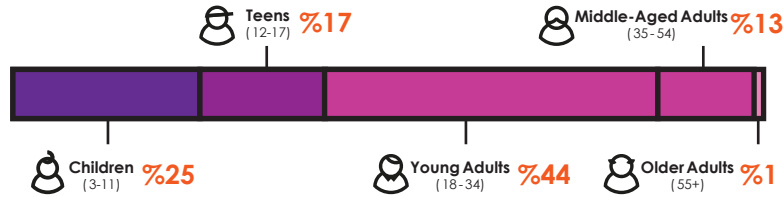
32

Million Gamers in Iran



 Male **62%**  Female **38%**

The Average Gamer is 22 years old

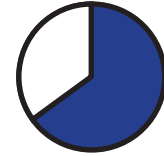


 Children (3-11) **25%**  Teens (12-17) **17%**  Young Adults (18-34) **44%**  Middle-Aged Adults (35-54) **13%**  Older Adults (55+) **1%**

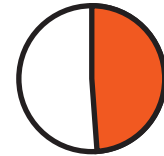
The Average Gamer spends

93

minutes for gaming per day

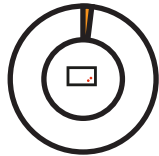


65% of Gamers play online



49% of Gamers play everyday

Console Gamers **22%**

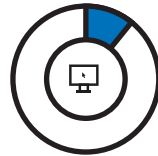


Handheld Console Gamers **2%**



Home Console Gamers **20%**

Computer Gamers **20%**

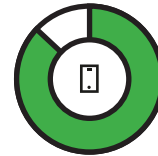


PC Gamers **11%**

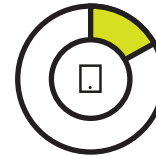


Laptop Gamers **10%**

Mobile Gamers **92%**



Smartphone Gamers **87%**



Tablet Gamers **17%**



WHO IS PLAYING?



Iran Population

83 Million*

*Based on data of Statistical Center of Iran in 2019

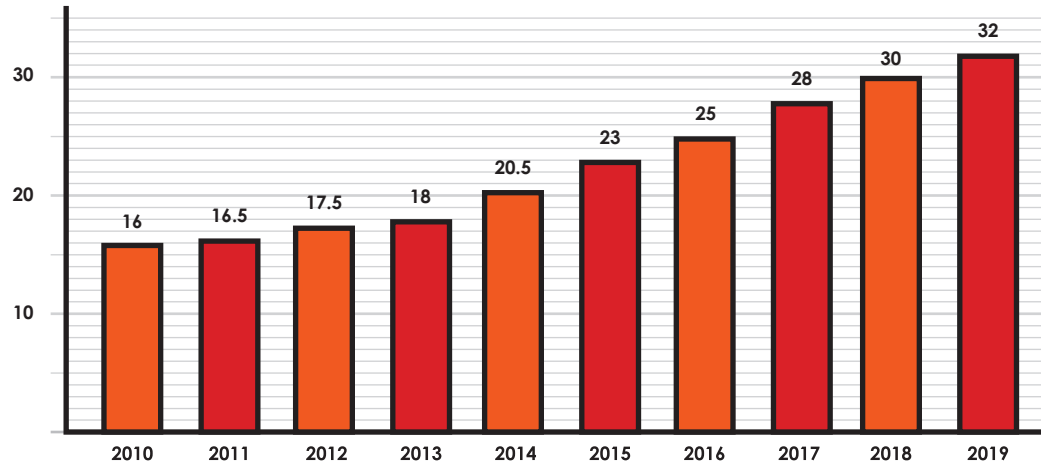
38

persons out of 100
Iranian people are gamers



29 women out of 100 Iranian women
and **47** men out of 100 Iranian men
are gamers

Iranian Gamers (Million)

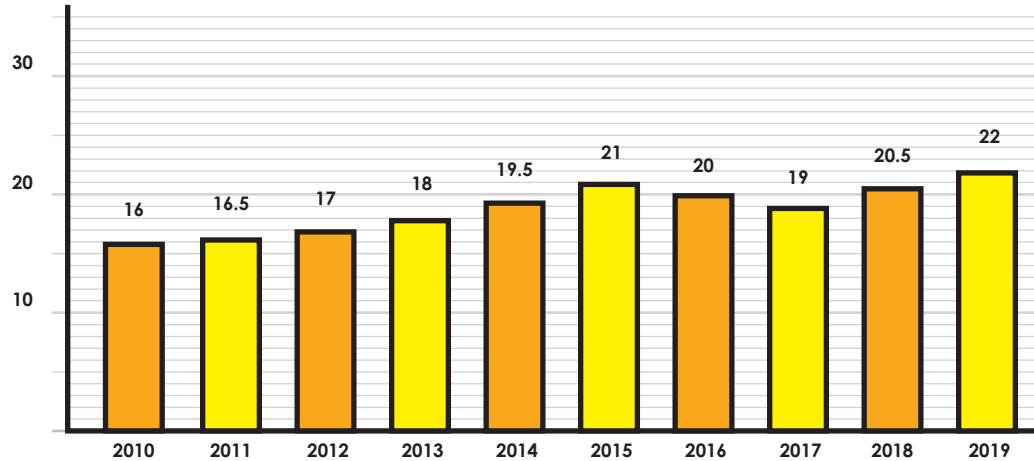


Iranian gamers population growing at **CAGR of 8%** over 2010-2019

This growth in the first years of the 2010s with the spread of the 4G mobile internet and the emergence of mobile platform as a dominant platform for gaming faced significant growth and then the growth rate has decreased.



Average age of Iranian Gamers



With the growth of Mobile games and therefore increasing the number of adult gamers, the average age of Iranian gamers is rising. However, in the mid2010-s and the acceptance of digital games as a new entertainment channel for children between the Iranian families, the average age has been decreased temporarily.

The Iranian Average Gamer is

22

years old.



There is an average of **1.9** gamers in each Iranian household that has at least one gamer.



WHO IS PLAYING?

Age Group: Children

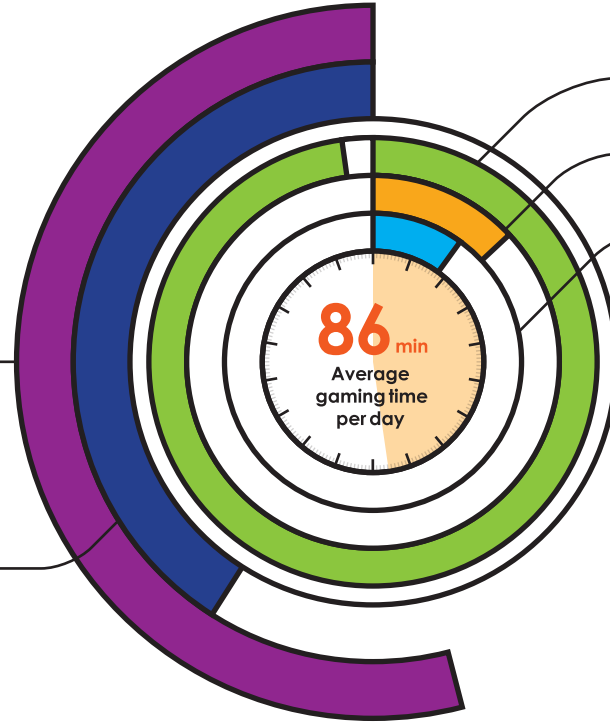
3-11

54%

play daily

41%

of gamers in this age group play online



86 min

Average gaming time per day

- 98%** Mobile Gamers
- 13%** Computer Gamers
- 10%** Console Gamers

Most Popular Game Genres

- 1. Racing Driving
- 2. Simulation Management
- 3. Puzzle

Most Popular Games

Gamers in this age group usually recall their popular games by general titles including Makeup Games, Car Games and Puzzle Games.

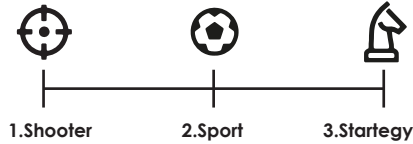


WHO IS PLAYING?

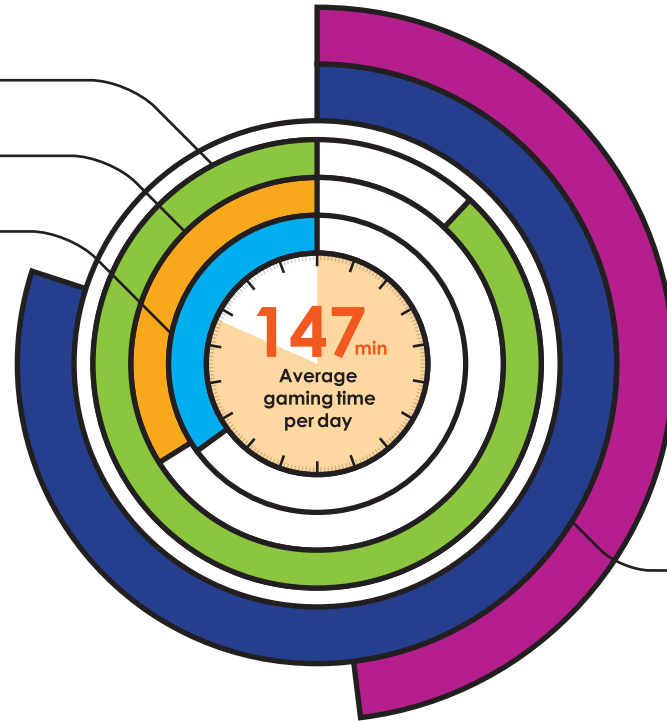


- Mobile Gamers **88%**
- Computer Gamers **34%**
- Console Gamers **35%**

Most Popular Game Genres



Most Popular Games



Age Group: Teens

12-17

48%

play daily

80%

of gamers in this age group play online



WHO IS PLAYING?

Age Group: Young Adults

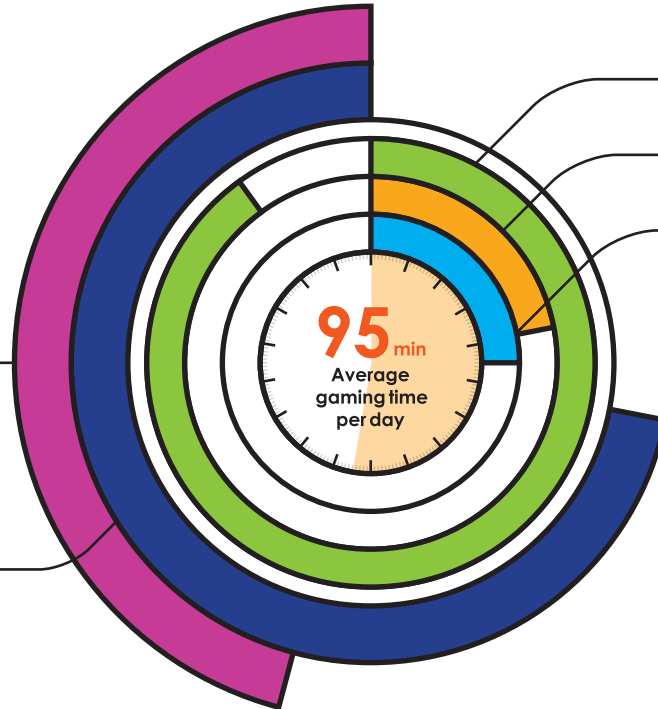
18-34

46%

play daily

72%

of gamers in this age group play online

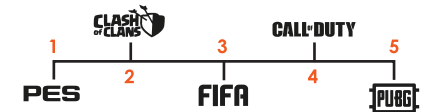


- 90%** Mobile Gamers
- 22%** Computer Gamers
- 25%** Console Gamers

Most Popular Game Genres






Most Popular Games



WHO IS PLAYING?

Age Group: Middle-Aged Adults

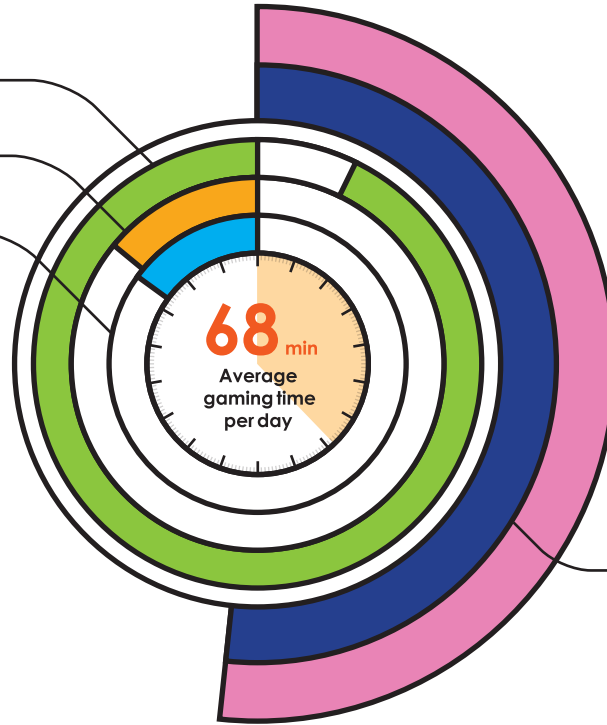
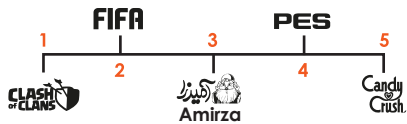
35-54

- Mobile Gamers **93%** 
- Computer Gamers **14%** 
- Console Gamers **15%** 

Most Popular Game Genres



Most Popular Games



52%

play daily

52%

of gamers in this age group play online



WHO IS PLAYING?

Age Group: Older Adults

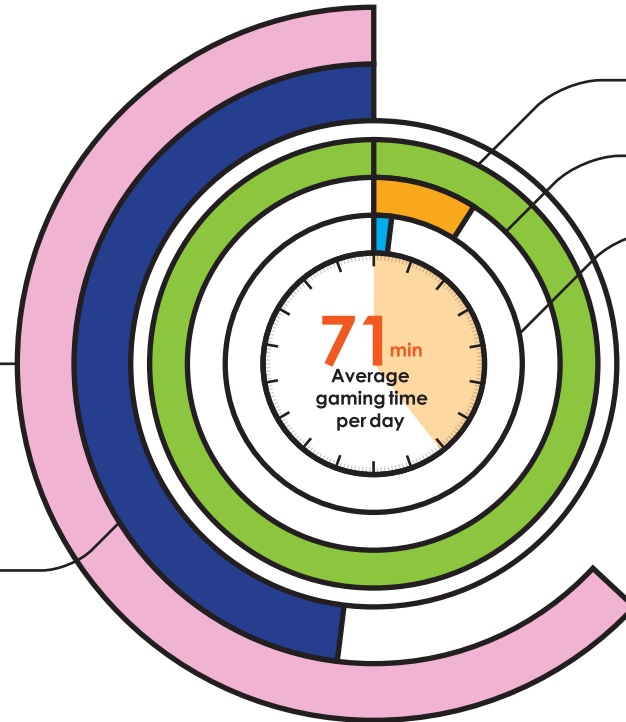
+55

63%

play daily

48%

of gamers in this age group play online



- approximately **100%** Mobile Gamers
- 9%** Computer Gamers
- 2%** Console Gamers

Most Popular Game Genres

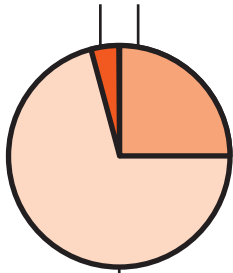
- 1. Puzzle
- 2. Strategy
- 3. Arcade

Most Popular Games

- 1. Amirza
- 2. Different types of Sudoku and Card Games

WHAT THEY PLAY?

4% Play on three platforms
25% Play on two platforms



71% Play on just one platform

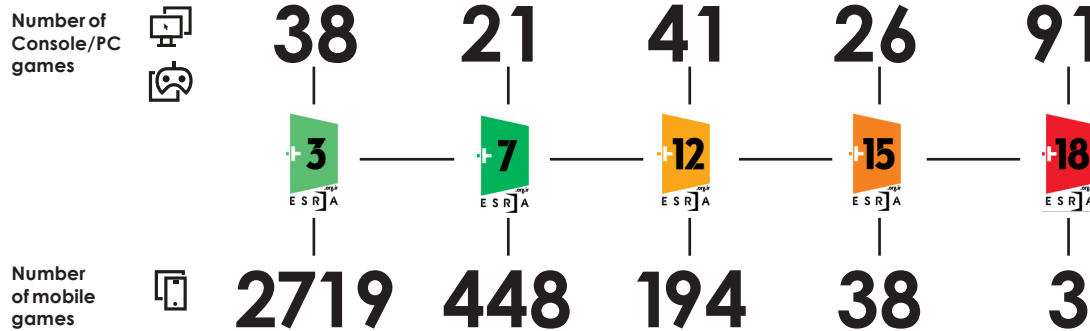


Most Popular Game Titles

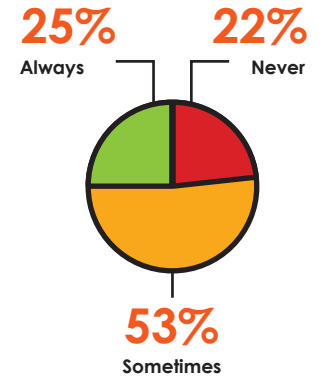


WHAT THEY PLAY?

Number of games ratings assigned by the ESRA in 2019



Paying Attention To The Age Rating

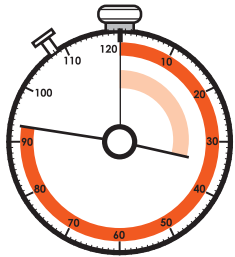


In the mid2010-s, along with an increase in children's number among Iranian gamers, paying attention to the age rating is decreased. However, finding based on the 2019 survey **shows the greatest attention** to age rating in recent years.

The Average Gamer spends

93 min

for gaming per day.

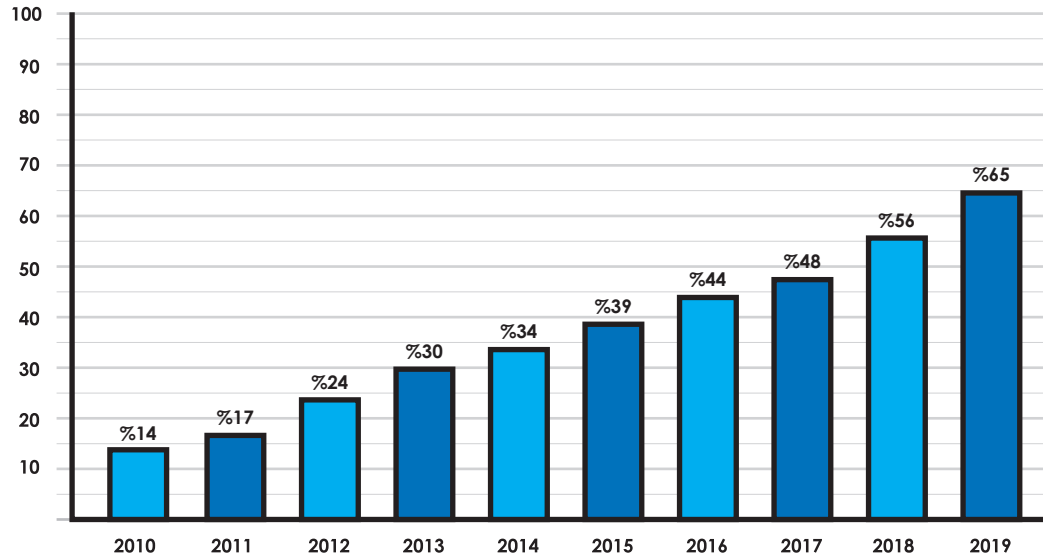


Per capita Digital Gaming for Iranian is

35 min

per day.

Online Gamers



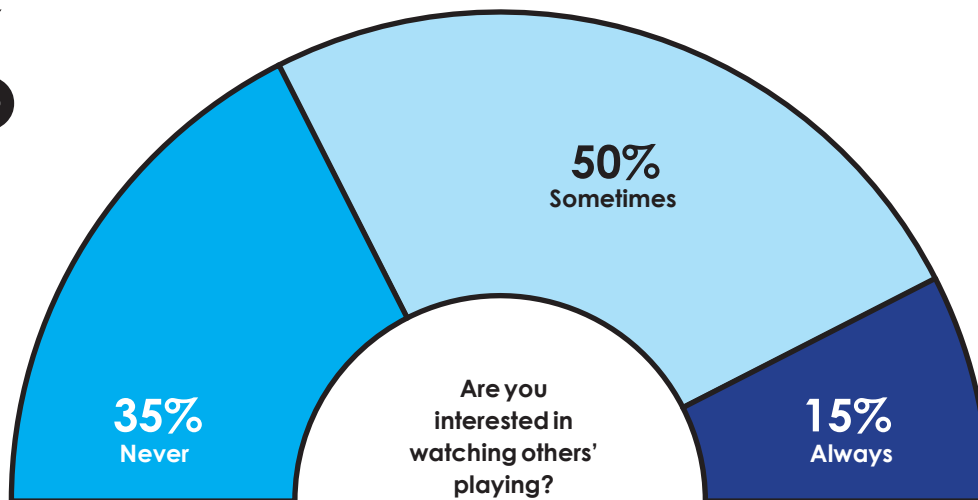
The number of Iranian online gamers increase approximately **9 times** in 10 years.



HOW THEY PLAY?

15%

of Iranian gamers are
very interested in watching
others' playing.



Game streaming in Iran is growing, and Iranian streamers are gradually finding their audiences. Findings show that a significant number of Iranian gamers have an initial interest in watching gaming contents. However, this interest is not just for streaming in a technical sense and can include watching children, friends, or others' playing.



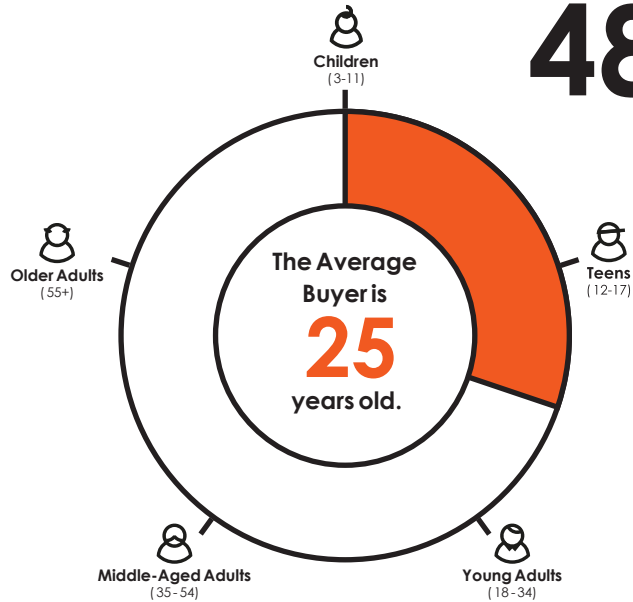
Iran GDP

485,000,000,000 USD¹

GDP Per Capita

5820 USD²

^{1 & 2}
Based on IMF Report





HOW THEY BUY?

Spending on Mobile platform

In this report, "Spending on mobile platform" means all money spent by gamers for accessing mobile games such as premium games, in-game purchases, buying game accounts, buying gift cards, and etc.

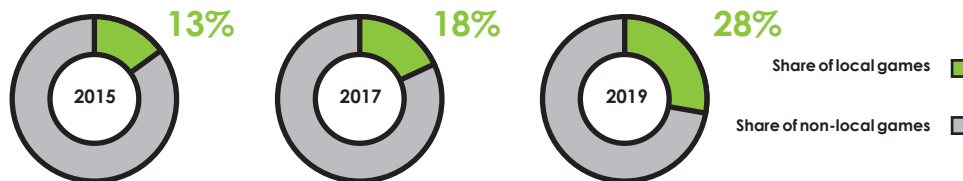
On the other hand, items such as purchase of mobile hardware, in-app advertising, revenues of internet service providers, revenues of complementary industries, or additional revenues that are not paid directly by gamers are not considered.

In 2019, the total spending on the Mobile platform was

23 million USD*

equal to about 7% out of total Iranian digital gamers spending.

*The actual spending is estimated by the common Iranian currency which is "Toman". Subsequently, it has been exchanged to USD based on the average exchange rate for all 2019 working days.



The market share of local games (consist of locally developed and localized games) is

6.3 million USD

This share is increased at a CAGR of 46% over 2015-2019.

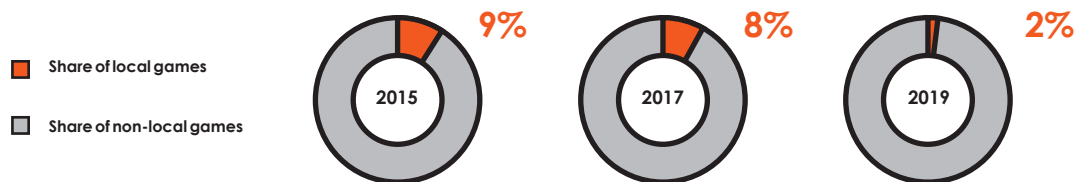




In 2019, the total spending on Console and Computer platforms was

320 million USD:

215.6 million USD spent on hardware and **104.4 million** spent on software.



The market share of local games (consist of locally developed and localized games) in software spending is

0.7 million USD for local Console games and **1.7 million** USD local Computer games.

Although the Market share of local games out of total spending on Console and Computer games increased at a CAGR of **47%** over 2015-2019, practically the Console and Computer games' market share decreases due to the increase of USD to Rial exchange rate.

Spending on Console and Computer platforms

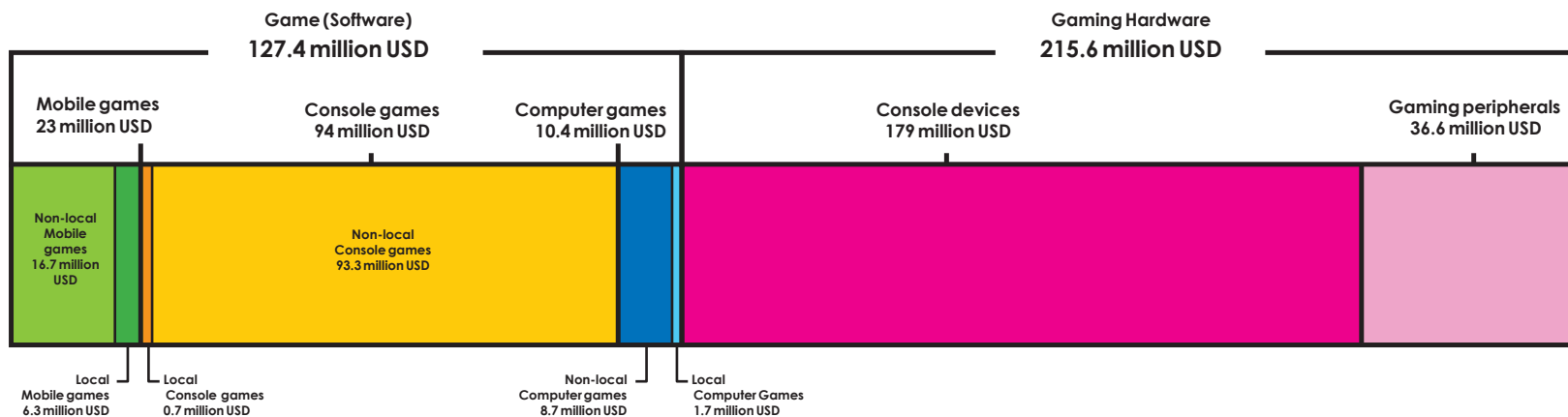
In this survey, spending on Console and Computer platforms is questioned separately for hardware and software. Software spending, includes all money spent by gamers for accessing Console and Computer games. Hardware spending is divided into two subgroups: spending on console devices and gaming peripherals.



HOW THEY BUY?

In 2019, the total spending of Iranian gamers on hardware and software were approximately

343 million USD



This report's presented data was a landscape of the consumption patterns and spending of digital gamers in Iran. In addition to the Console platform's prominent effect, which has a significant impact on market turnover, some current trends and developments will affect these change patterns. The most important of these trends are as follows:



HEADING FORWARD

Gaming in the Covid-19 Era

Lockdown during the Covid-19 pandemic has led consumers to interact with Mobile games more than ever and turned March 2020 the highest-grossing month in the history of the digital gaming industry, according to Forbes (2020). In one case, "Animal Crossing: New Horizons" alone sold over 5 million digital units in March, more than any other console game in history.

Gaming has a strong potential to provide a form of social interaction to tackle social isolation.

The effects of the Covid-19 on the revenue of gaming industry growth is also noticeable in Iran. According to Cafe Bazaar, users have downloaded and updated applications and games 314 million times in about 45 days which was 33% more than the previous weeks. A survey conducted by DIREC in the spring of 2020 shows that 44% of game studios reported an increase in their income due to Covid-19.

Changing Business Models

➤ Mobile, as the platform with the most active audience and the largest market for Iranian games, has been gradually affected by shifts in monetization methods.

The growth of hyper-casual games and the stabilization of the Game-as-a-Service (GaaS) paradigm are consequences of this change. However, new models' success, especially the focus on in-app-payment methods, has been extended to other platforms, and Console and Computer games are also applying this approach.

The growth of advertising revenue and the decline in the average income per DAU is another consequence of hyper-casual games' growth and is a global phenomenon in the digital games industry.

On the other hand, we see the increasing transformation of games into infrastructure and platform for continuous creation and republishing of content, increasing the game life cycle, and keeping it dynamic. Developing strategies such as Live Ops and Game Pass have become the dominant game design challenges in this field.

Blockchain for Games

➤ Blockchain technology has indeed opened its way into many fields, and its impact on people's public lifestyles is one of the most predicted phenomena. Specifically, in gaming, blockchain can help to improve the market mechanism and increase intellectual property rights security.

The games developed to extract cryptocurrencies; also the technology itself provides features such as facilitating payment for the game, protecting developers' intellectual property rights, cheaper exchanges by eliminating third parties, facilitating sales between gamers, etc.



Esport Athletes

 The development of esports and the rise of e-athletes is another prominent trend in the digital gaming market. Newzoo (2020) estimates that e-sports will generate more than \$ 1.5 billion by the end of 2023 and capture a larger share of the global market. By the end of 2017, e-sports revenue was about \$ 465 million, according to the report. Moreover, despite the negative impact of the Covid-19 pandemic on this market, occasions such as adding these types of sports to the Olympic Games and recognizing various business models will compensate for this short-term decline. In addition to various informal and local sports sessions in Iran that are spontaneously held in different cities, some official leagues have also been active, and more than 112,000 people in various disciplines have participated in "IGC2019".



Cloud Technology and Cross-Platform Games

 Cloud service is an important step towards a revolutionary change in the entertainment industry. In addition to solving the common problem of game software piracy via security protocols on cloud servers, Cloud service will also provide various revenue models for game developers. More importantly, the consolidation of this technology makes the platform or gaming device and its models and capacity virtually ineffective, and the game content is used by gamers regardless of the platform. Newzoo (2020) has forecast cloud game revenue of more than \$ 3 billion by 2023.



Serious Games, Beyond Entertainment

➤ Serious games are subdivisions of digital games made for other purposes than sole entertainment and have specific design goals. Using serious games in education, advertising, treatment, etc. has opening new doors ahead of the game industry. Comparing to other areas, this field of game development is dependent on research, development, and academic studies. For this reason, expanding the boundaries of serious gaming does not depend only on the creativity and technology of the gaming industry; rather, every new scientific discovery in the field of neuroscience, cognitive sciences, medicine, etc. opens a new chapter in serious games.

According to Allied Market Research, the serious games market will surpass \$9 billion by 2023. The number of serious games released in Iran has increased recently. Also, comparing to the previous festivals, the number of serious games submitted to "Serious Games Prize 2019" has doubled, and the games developed in the chapter of healthcare have almost increased up to 4 times.



Streaming


➤ Game streaming competes with music and movie streaming, and regarding its progress in Iran, it will positively affect ecosystem growth. Streaming attracts considerable new audiences to the gaming ecosystem. By February 2020, more than 3.8 million unique streamers had generated content at Twitch, and the average concurrent viewers of March 2020 had reached 1.44 million.



XR

 The influence and popularity of XR- games are increasing day by day, and this technology will be one of the outstanding trends of the entertainment world in the next few years. SuperData (2020) predicts that the market for this category of technologies (including AR, VR, and MR) will reach \$ 12 billion by 2023. Covid-19 pandemic has increased the popularity of such technologies. XR allows gamers to obtain new experiences without leaving their homes. More than ever, XR will bridge gaming to other entertainment areas, which is why some refer to augmented reality as a social platform.

Co-creation with Gamers

 In the classic approach to interact with gamers, these users have a passive role in game design and development. Gradually, with the growth of social networks and user communities, these audiences play more different roles in developing a game, such as providing feedback, word of mouth promotion, participating in parts of content development, and so on. The further we go, the more active and serious these roles become; in a new approach to users, they can be assumed as partners in co-creating games, and game development without users' active presence is considered impossible. This process is called the democratization of innovation.

Sadegh Tolou
 Director of National Survey





About Iran
Computer and
Video Games
Foundation
(IRCG)

Today, digital games as artistic and commercial products have extensive cultural and economic impacts; thus, it seems necessary to pay attention to this area and to establish a set of goals and responsibilities for Iran's administrative organizations in this sector.

Iran Computer and Video Games Foundation, as a subdivision of the Ministry of Culture and Islamic Guidance, is in charge of Iran's digital games ecosystem which has been founded to plan and support a set of activities related to the digital games area.

The main missions and goals of the IRCG, along with policy-making and planning, in general, can be divided into four aspects: support and training of Iranian game developers, market supervision, and game studies and research.





About DIREC

In the growing environment of the digital games market and industry in Iran and the world, the existence of accurate information and knowledge is crucial to analyze the rules, policies, industry conditions, competition atmosphere, consumer tendencies, and other indicators of business development in the field of digital games.

The research department of IRCG, titled the Digital Games Research Center (DIREC), was founded in 2015 with the primary purpose of increasing the share of research in the digital games industry. In this regard, DIREC has established interactive communication with industry activists, including game studios, publishers, media, universities, and policymakers, and has access to considerable amounts of data and information by conducting periodic surveys on consumer behavior studies across the country.

DIREC is the official reference for publishing statistical reports and enhancing the theoretical foundations of the digital game industry in Iran and is mainly active in the following four areas:

- Conducting researches in the field of macro policymaking of digital games ecosystem
- Increasing the ecosystem intelligence by publishing statistical and analytical reports
- Improving the theoretical foundations of game studies and enhancing the connection between the industry and academia
- Supporting the research, production, and promotion of Serious Games in Iran



DIREC is the official reference for publishing statistical reports and enhancing the theoretical foundations of the digital game industry in Iran.

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