



## **Casual Gaming in the US and the Potential Target Audiences for Growth**

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## Insights

- By 2008, the casual games industry is expected to reach \$1.5 billion worldwide, with \$690 million from North America alone.
- Internet access and widespread adoption of broadband have played a significant role in the growth of the casual games sector. By using the Internet as their main platform the industry has created a new channel that both drives and is driven by consumer demand.
- The CGA estimated users spend between five and 20 minutes playing a game. But over a week, they spend between seven and 15 hours.
- With its motion sensor-driven controllers that can be swung like tennis rackets, moved in a punching motion, or swung in the manner of someone who's bowling, the Wii, by all accounts, has attracted a much broader age range while expanding the videogame business dramatically into the women's market.
- The casual gaming niche, which includes hits like "Bejeweled," "Scrabble" and the low-budget classic "Tetris," is in the midst of a Cinderella-like transformation. Companies like PopCap are sinking hundreds of thousands of dollars into casual games and demanding sophisticated graphics, more nuanced plots, even original music instead of bland electronica.
- A study by Harris Interactive set for release today found that 31% of the over-18 set preferred the games to TV for whiling away a spare hour. Watching movies at home fared better, with 21% choosing games instead, but going to the movie theater did slightly worse with 35%.
- The Wii party popularity is part of a growing phenomenon that's overhauling the video-gaming industry. That is, video gaming is beginning to transcend the solitary boy-in-the-basement stereotype with a new generation of gamers including women, older people and younger children who want to play in a more social atmosphere.
- In addition to the internet success casual games have seen, even more recently a whole new generation of casual gamers has been created due to the prevalence of handhelds, mobile phones and the introduction of the immensely sought after Nintendo Wii and DS gaming systems.
- According to an August study by Information Solutions Group, 89 percent of casual gamers are 30 or older, 72 percent are female, and 53 percent are married with kids. Nearly half are college graduates.

## Casual Gaming Industry Overview

The casual games market has become a big business in the United States as well as over seas. Over the past few years, the casual games industry has become one of the highest growth areas in the overall video games sector. More than 200 million people worldwide play casual games via the Internet and with about 60 million downloads each month, the industry has more players than the core gaming industry.

By 2008, the casual games industry is expected to reach \$1.5 billion worldwide, with \$690 million from North America alone. That's more than double the revenues from 2005, when the industry generated about \$700 million worldwide, including \$314 million from North America. (Data from CGA and DFC Intelligence 2006 Market Report) For the past several years, thousands of casual games have sprung up all over the Internet, as well as on mobile devices, consoles, and even in retail outlets.

Internet access and widespread adoption of broadband have played a significant role in the growth of the casual games sector. By using the Internet as their main platform the industry has created a new channel that both drives and is driven by consumer demand. Today, casual games are among the most sought-after content online, and major game sites consistently top Internet site rankings. Whether played in a web browser or as a fully featured download, casual gaming has moved well beyond the realm of niche into the mainstream. (Source IGDA Casual Games Whitepaper 2006)

In addition to the internet success casual games have seen, even more recently a whole new generation of casual gamers has been created due to the prevalence of handhelds, mobile phones and the introduction of the immensely sought after Nintendo Wii and DS gaming systems.

“In the past, video gaming tended to be less main stream, especially among adults. Today more games are rated E for everyone and more parents are inclined to play these types of video games with their children.” With the Wii and DS systems Nintendo is trying to appeal to a much broader audience then before. Young couples and young families are engaging in casual video games more and more frequently due to the user-friendliness of the games and the new consoles.

In the long run this is all contributing to a booming video-game industry. “NPD Group reported overall hardware sales are up 34% with consoles alone up 69% during the first half of 2007 vs. the same time period during 2006. NPD also said the industry is on track to ring up \$16 billion to \$18 billion in sales this year.”

This idea that video games can be for everyone means that the consumer demographic for such games and consuls far out reaches the stereotypical male gamer. When you are in the business of casual games, you are reaching virtually all demographic sectors. Women in their forties comprise the typical casual game player – but so do men, teens, kids,

college students, seniors and international audiences. According to an August study by Information Solutions Group, 89 percent of casual gamers are 30 or older, 72 percent are female, and 53 percent are married with kids. Nearly half are college graduates. Even hard core game players take a break every now and then to play free online poker games and online pool.

In examining the various demographic profiles of casual gamers we have come to the conclusion that there are certain consumers that can be more closely associated with purchasing games online versus purchasing a console. In general it is women aged 35-54 and non-gaming men who tend to purchase their casual games online. These men and women are purchasing and playing these games on their home or work computers and view casual gaming as a “mental escape” for their day. Young affluent families and older/baby boomer consumers seem to be more of a target for the Nintendo Wii and DS platforms.

With such games as Wii Play and Wii Sports the Wii system seems to have become the 21<sup>st</sup> century version of game night in a number of family households. The games are easy and fun to play and many are suitable for all ages. In addition, Nintendo seems to be targeting the older consumer with their DS platform. Nintendo has renamed their line of casual games for DS the Touch Generations indicating that such titles as Brainage, Sudoku, and Tetris are appropriate for and will appeal to an older consumer.

Overall, the casual gaming industry is poised for tremendous growth. Gone are the days when video games are only associated with teenage boys and hard core gamers. With the proliferation of internet gaming sites and the introduction of the Nintendo Wii and DS platforms, casual gaming has taken on an entirely new set of consumers who enjoy playing video games. Whether it's for a “mental break” from work, a way to sharpen an aging mind, or even a way to spend more time together as a family, casual gaming is the future of video games.

## Casual Gaming Target Audience Summary

Casual gaming has a widespread demographic appeal. Unlike the games of Halo and World of Warcraft, which require a certain level of dedication and can be hard to play, casual games can be played over and over again by almost anyone. Casual games are simple, inexpensive, and most of all addictive. With over 200 million people playing casual games the potential consumer seems limitless. But there are certain consumers who are more apt to play casual games than others.

In our research we focused on four methods of casual gaming; casual games downloaded via the internet and played on a computer platform, casual games played via the Nintendo Wii, casual games played on the Nintendo DS, and casual games bought at the retail level for multiple computer platforms.

In researching casual games that are downloaded via the internet and played on a user's computer, we found that there are two groups of consumers who are more likely to play casual games via this method than others. Those two groups are women aged 35-54 and light gaming men, with an emphasis on the former. These two groups of consumers enjoy casual games for their simplicity and ease of use. Casual games can easily and quickly be played as a break from work or from the everyday grind of life. These two consumer groups typically buy new video games 30 days or so after their release and they buy action/adventure, card or casino, and puzzle type games.

In researching the type of consumer who would play casual games via the Nintendo Wii, the newest platform in the world of casual gaming, we concluded that this platform appeals to women aged 35-54, families with children and light gaming men. The Nintendo Wii has revolutionized the video game world. No longer are consoles reserved for the serious gamer but rather Nintendo has made a conscious effort to target previously untapped consumers for the video game industry, such as women, baby boomer, retirees and families. Nintendo is continuously adding casual game titles to their ever expanding library of offerings. They encourage mothers and daughters to organize Guitar Hero and Bowling parties as well as encourage young families to spend some time together playing Tennis and Golf, games that are included on Wii Play, a game that comes standard with many of the consoles.

When researching the Nintendo DS, we found that this platform appeals to families with children as well as the Baby Boomer/Older consumer. Nintendo offers such games as Brain Age, Sudoku, and Big Brain Academy to test players in the areas of thinking, memorization, computation, analysis and identification. With their ability to sharpen the mind and increase memory skills games like these are targeted to appeal to an older generation. Nintendo has also released games such as Nintendogs and Pet Shop where users can pet their virtual puppies and teach them commands, games that clearly appeal to a younger audience.

Finally, we explored the consumer demographic for video games bought at the retail level. Consumers who buy games at the retail level are upper income families with

children and mid-to-upper income working singles, both male and female. The age range for these two consumer groups falls between 29 and 49. Video games, and all of the accessories that come along with the various consoles, are expensive. They are likely considered a luxury item among most consumer groups and therefore would not be regularly purchased unless there was certain amount of expendable income. Affluent families with children have that income to spend and are influenced by their desire to give their children the things they didn't have growing up. Young professionals also have the extra income to spend on video games and the desire to spend their leisure time playing video games and more recently hosting parties with their friends that revolve around these casual games.

## Psychographic and Media Profile for Females Aged 35-54

### Casual Game Methods: Online, Wii and Retail

The female consumer way of life strongly revolves around family, home, and leisure. The female demographic enjoys listening to music, reading books and dining out. They also enjoy cooking for fun and going to the beach. The female consumer enjoys spending the most time at home with their family. Most are happy with their life as it is and feel that the home is an important part of who they are.

The female consumer keeps themselves active by walking, swimming and running. They try to incorporate healthy food into their diets and cooking. Within the last 12 months a number of the respondents have bought toys with the greatest percentage buying children's books, video games and boards games.

When it comes to technology many female consumers agree that the internet has changed the way they get information about products. And in fact for a number of the respondents the internet is the first place they go for information. For some the internet has increased their desire to learn while for other it has changed the way they work and shop. The female consumer also wants to learn about technology and the web.

The female consumer prides themselves on being trustworthy, competent and reliable as well as kind, warmhearted and sincere.

When it comes to media the female consumer always listens to the radio when they're in the car, values a local newspaper that reports local news, and likes commercials that make them laugh.

The four most popular magazines read by the family consumer within the last 6 months were Smartsource, People Magazine, Parade and Better Homes and Gardens. And the three top television channels were the Lifetime, The Weather Channel and HGTV. The female consumer admits to doing other things while watching TV chooses for their name not to be on mailing lists.

Following is an overview of top psychographic and media characteristics attributed to Females aged 35-54. The criteria is listed by percentage in descending order. For example, as displayed in the first group of attributes, 73% of females aged 35-54 enjoy listening to music.

### Leisure Activities/Hobbies Last 12 Months:

73%	Listening to music
67%	Reading books
63%	Dining out (not fast food)
44%	Cooking for fun

Live Theater/Concert/Dance Attended Last 12 Months:

30% Concert  
25% Live theater

Movies, Types of Movie Seen:

42% Comedy  
36% Action Adventure  
28% Romantic Comedy  
28% Family

Sports Interests (all answers fall under the very interested category):

20% Winter Olympics  
18% Summer Olympics  
15% NFL  
10% Major League Baseball

Sports and Fitness, Sports Played/Participated in Every Chance They Get:

26% Fitness Walking  
10% Swimming  
8% Use Cardio Machine  
6% Jogging/Running

Games and Toys, Types Bought Last 12 Months:

33% Children's Books  
29% Video Games  
26% Board Games

Attitudes/Opinions About Apparel (all answers fall under the agree a lot category):

55% Comfort is the most important factor in choosing the clothes they buy  
54% Agree they make their clothes last a long time  
52% Dress to please themselves  
34% Stick with styles that have stood the test of time  
32% It is important to look attractive to others

Attitudes/Opinions About Automobiles (all answers fall under the agree a lot category):

- 71% Regularly wear their seat belt for safety
- 45% It is important that the car work for the whole family
- 38% That the cars true value is in how long the car lasts
- 35% Agree their car should have many safety features
- 26% Like driving

Attitudes/Opinions About Diet and Health (all answers fall under the agree a lot category):

- 46% Feel they should exercise more than they do
- 43% Agree with the increasing ban on cigarettes
- 30% Try to eat healthier foods these days

Attitudes/Opinions About Food (all answers fall under the agree a lot category):

- 41% Feel Breakfast in more important then lunch or dinner
- 40% Try to include plenty of fiber in their diets
- 32% Look for the freshest ingredients when they cook
- 31% Really enjoy cooking
- 29% Agree most snack foods are not healthy

General Attitudes/Opinions (all answers fall under the agree a lot category):

- 71% Enjoy spending time with their family
- 60% Feel it is important to continue learning new things
- 58% Feel it is important for a company to act ethically
- 54% Try to be nice to people as much as they can
- 53% Agree with if at first you don't succeed try again
- 47% Agree is it important to be well informed
- 43% Feel their faith is really important to them
- 41% Feel that opportunities should be seized in life
- 40% Like spending most time at home with their family
- 36% Prefer to spend a quiet evening at home
- 35% Feel their home is an important part of who they are
  
- 33% Are happy with their life as it is
- 33% Just like to enjoy life
- 29% Feel that how they spend their time is more important then how they spend their money
- 28% Do some sort of sports/exercise once a week

Attitudes/Opinions About Lifestyle/Internet (all answers fall under the agree a lot category):

- 23% Agree the internet changed the way they get information about products
- 21% Agree the first place they look for information is on the internet
- 16% Feel the internet increased their desire to learn
- 13% Agree the internet changed the way they shop for products
- 12% Feel the internet has changed the way they work

Attitudes/Opinions About Media (all answers fall under the agree a lot category):

- 40% Always listen to the radio while in the car
- 35% Choose for their name not to be on mailing lists
- 30% Like commercials that make them laugh
- 29% Listen to the radio everyday
- 23% Value a local newspaper that cover local news
- 22% Admit to doing other things while watching TV
- 20% Like the idea of a large selection of TV channels

Attitudes/Opinions About Technology (all answers fall under the agree a lot category):

- 24% Shop for the best deal in electronic equipment
- 24% Like information about the electronic item before buying
- 21% Like to learn about computer technology/the web
- 15% Like the idea of digital TV
- 8% Try to keep up with developments in technology

Attitudes/Opinions About Travel (all answers fall under the agree a lot category):

- 25% Prefer to travel in the US as opposed to foreign travel
- 24% Only want to relax while on vacation
- 22% Love the idea of traveling abroad

Self Concepts (all answers fall under the agree a lot category):

- 57% Agree they are trustworthy, competent and reliable
- 50% Agree they are kind, good-hearted, warmhearted and sincere
  
- 38% Agree they are affectionate, passionate, loving and romantic
- 33% Agree they are sociable, friendly, cheerful and likeable
- 30% Agree they are efficient, organized, diligent and thorough
- 25% Agree they are broadminded, open-minded, liberal and tolerant
- 23% Agree they are creative, inventive, imaginative and artistic

Video Games and You (all answers fall under the agree a lot category):

7%	Agree they buy video games when they are cheaper
3%	Don't mind the characters in a video game using a brand name product
3%	Don't mind the appearance of a brand name product in a video game
1%	Usually rent video games

Magazines Read or Looked at Over the Last 6 Months:

66%	Smartsource
48%	People Magazine
44%	Parade Magazine
37%	Better Homes and Gardens
28%	Family Circle
28%	Woman's Day
26%	USA Weekend
25%	Readers Digest

Cable Television & Premium Channels Viewed in the Last 7 Days:

31%	Lifetime
30%	The Weather Channel
25%	HGTV
24%	Food Network
23%	Discovery Channel

TV Show Types Viewed:

67%	General Drama
53%	Reality
42%	Situation Comedy
30%	News/Documentary

TV Shows Viewed in the Last 7 Days

25%	CSI: Crime Scene Investigation
21%	American Idol
17%	Deal or No Deal
17%	Cold Case
17%	Grey's Anatomy
17%	20/20
15%	America's Funniest Home Videos

Video Game Preferences:

When do you buy a new game?

- 11% Don't buy many new games
- 3% More than a month after the game's release
- 1% Within a month of the game's release

Types of video games purchase within the last 6 months?

- 4% Action/Adventure
- 3% Card and Casino Games
- 3% Arcade and Classic Games
- 3% Puzzles
- 2% Children's Entertainment
- 2% Sports

Number of video games bought within the last 12 months?

- 14% 1-5
- 2% 6-10
- 1% 11 or more

\*\*\*\*\*This sample report has been truncated\*\*\*\*\*