

## Who Wants to be a Gamer?

Aaron Taylor  
April 10, 2017

Everyone has a favorite hobby. Some people love sports, some painting, some hiking, some music, etc. One potential struggle within any hobby, however, is knowing where to start, or what to change when looking for new experiences. This struggle is just as challenging as it is for any other hobby as it is for video gaming.

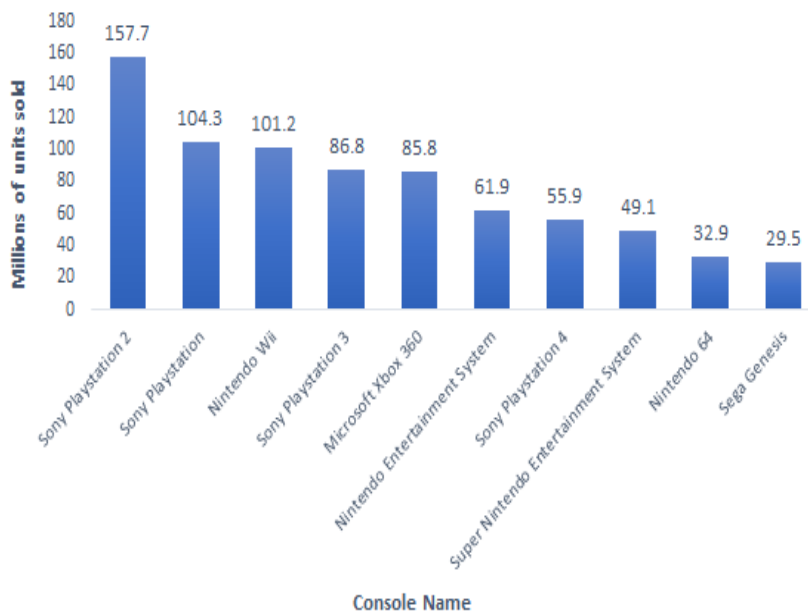
Though the industry is declining slightly, as can be seen by the closing down of 150 GameStop stores in America, many gaming platforms are still widely popular and available to those wanting to play video games.<sup>1</sup> One may use a smartphone, a handheld console, a home console, or even a virtual reality console. Of all the many options, one of the most common choices is a home console. However, even within the subcategory of home consoles there are many consoles to choose from. The primary contestants for attention within the home console category come from three main companies: Nintendo, Sony, and Microsoft, whose most recent consoles are respectively the

Nintendo Switch, the PlayStation 4, and the Xbox One S. Though the decision of which to purchase can be very difficult for new or branching-out gamers to make, an analysis of the overall trends of sales for consoles and games by these companies may make this decision easier. Three methods of sales analysis may be done in order to help determine which console to purchase: hardware sales, software sales, and sales according to the tie-ratio.

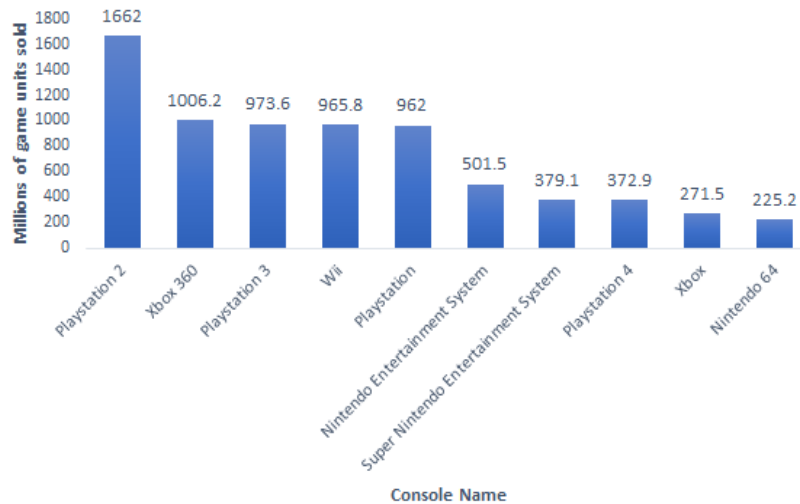
### Hardware

Analyzing the volume of consoles sold historically can help predict overall console sales for the future. If one console in the past sold more than another, the likelihood

Figure 1: Top 10 Best-Selling Video Game Consoles



**Figure 2: Top-Selling Consoles by Units of Games Sold**



is that the future generations of consoles will perform similarly. Figure 1 shows the top 10 best-selling consoles of all time.<sup>2</sup> Four of the top 10 (including the top two) are Sony's PlayStation consoles. Also among the top 10 are four of Nintendo's consoles, though the totals for each of these consoles are significantly lower than Sony's consoles' sales.

Comparing historical data with current data, the current generation of consoles' sales are as follows: PlayStation 4---55.9 million; Nintendo Switch--1.5 million; and Xbox One--28.7 million.<sup>3 4</sup> The difference between the Nintendo Switch and the other two is in part due to the fact that the Nintendo Switch was released on March 3, 2017, while the PlayStation 4 and Xbox One were both released in Holiday season, 2013. This data, both for historical and modern consoles, implies that Sony's consoles are

the most sold and thus may be the best option for many. Therefore, it would be recommended, based on an analysis of hardware sales, that the consumer purchase a PlayStation 4, the best-selling console in the current market.

## Software

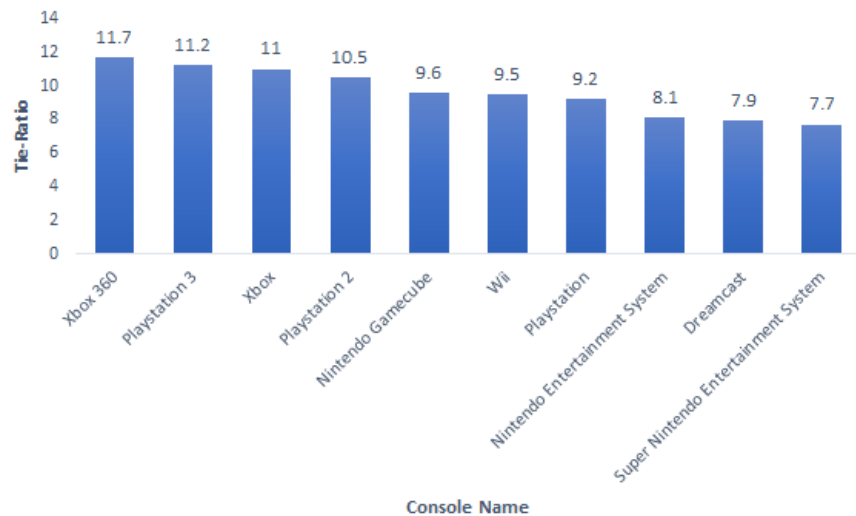
Another method to determine which console may be the best option is to analyze sales of software, or games, for individual consoles. As John Healy and Wendy W. Moe observed and explained in their article, "The effects of installed base innovativeness and recency on content sales in a platform-mediated market," gaming consumer buying behavior is explained by a two-step process: first gamers buy a console, and then they buy games to play on their console.<sup>5</sup> Therefore, the attraction in purchasing a video game console is in the game content available to play on said console. Thus it can be assumed that the most popular console is the one with the greatest and most available collection of video games.

Looking at the data presented in Figure 2, the PlayStation 2 is the number one best-selling console of all time based on games sold.<sup>6</sup> It had over 10,000 titles released throughout its long life of nearly 13 years in the market.<sup>7</sup> An interesting observation is that Sony's PlayStation consoles again are four of the top 10 best-selling consoles when organized by total games sold.<sup>8</sup> Nintendo also continues the same trend, having the same four consoles in the ranking. Thus the most widely popular systems and the best option likely would be a system from either Sony or Nintendo, with the PlayStation being the more popular. The conclusion may thus be made that Sony's modern console, the PlayStation 4 is the best option, based on an analysis of software sales by console.

## Tie-Ratio

The third method of analysis is through an examination of the Tie-Ratios of all the consoles. The Tie-Ratio for a console is the ratio of units of games sold to units of consoles sold. Figure 3 shows the top 10 best-selling consoles by Tie-Ratio, and the results are noticeably quite different from those of hardware or software analyses.<sup>9</sup> This time, though the three of the four PlayStation consoles are still among the top 10, the first place spot goes to the Xbox 360. There are also consoles not in the top

**Figure 3: Top 10 Best-Selling Consoles by Tie-Ratio (Games sold to Consoles sold)**



10 for hardware or software that are included in the top 10 for Tie-Ratio (The original Xbox, Nintendo's Gamecube, and the Dreamcast systems are all new to the list). In other words, though there were many consoles and games sold for the PlayStation consoles, other consoles generally sold more games per console, which is possibly a more accurate representation of popularity. Due to the fact that the Xbox 360 and the original Xbox occupy two of the top three Tie-Ratio best-selling consoles, the natural recommendation as to which console to buy today would be the Xbox One S.

## Conclusion

Though Nintendo and Microsoft's consoles have good indicators of popularity, i.e. high hardware and software sales, the PlayStation 4 has outsold the other current consoles, as well as having sold the most games. The PlayStation 4, a Sony Product,

follows a legacy of gaming from the past 20 years, and is expected to achieve great sales in the future as well. This implies that it is popular due to great games for the system and would be a great catch for new gamers. Though the Xbox One S and the Nintendo Switch are great options, the PlayStation 4 appears to be the popular choice among gamers, and thus is a great starting point for all.

## References

- <sup>1</sup>Lu, Joseph. "GameStop (GME) Closes 150 Stores As Videogame Industry Turns Digital Read more: <http://www.nasdaq.com/article/gamestop-gme-closes-150-stores-as-videogame-industry-turns-digital-cm766200#ixzz4djcQGpiR>." NASDAQ. March 27, 2017. Accessed April 09, 2017. <http://www.nasdaq.com/article/gamestop-gme-closes-150-stores-as-videogame-industry-turns-digital-cm766200>.
- <sup>2</sup>"Platform Totals: Hardware." VGChartz. Accessed April 08, 2017. [http://www.vgchartz.com/analysis/platform\\_totals/Hardware/Global/](http://www.vgchartz.com/analysis/platform_totals/Hardware/Global/)
- <sup>3</sup>"Platform Totals: Hardware." VGChartz.
- <sup>4</sup>Siegal, Jacob. "Nintendo has reportedly sold 1.5 million Switch units worldwide." BGR. March 14, 2017. Accessed April 08, 2017. <http://bgr.com/2017/03/14/nintendo-switch-sales-worldwide-superdata/>
- <sup>5</sup>Healy, John., and Moe, Wendy W.. "The effects of installed base innovativeness and recency on content sales in a platform-mediated market." International Journal of Research in Marketing 33, no. 2 (July 17, 2015): 246-60. Accessed

April 7, 2017.

<http://www.sciencedirect.com/science/article/pii/S0167811615000853>.

<sup>6</sup>"Platform Totals: Software" VGChartz.

Accessed April 08, 2017.

[http://www.vgchartz.com/analysis/platform\\_totals/software/Global/](http://www.vgchartz.com/analysis/platform_totals/software/Global/).

<sup>7</sup>Statista. Farewell PlayStation 2 - Best-Selling Console of All Time. Accessed April 5, 2017.

<https://www-statista-com.erl.lib.byu.edu/chart/937/best-selling-video-game-home-consoles/>.

<sup>8</sup>"Platform Totals: Software." VGChartz.

<sup>9</sup>"Platform Totals: Tie-Ratio" VGChartz.

Accessed April 08, 2017.

[http://www.vgchartz.com/analysis/platform\\_totals/Tie-Ratio/Global/](http://www.vgchartz.com/analysis/platform_totals/Tie-Ratio/Global/).