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By:

[Game console revenue will rise to \\$11.3 Billion in 2010](#)

JupiterResearch Forecasts



JupiterResearch, a division of Jupitermedia Corporation, released the results of its annual game console forecast. The report entitled "U.S. Console Games Forecast 2005: Analysis of Alternate Launch Scenarios," forecasts console market size and evaluates the impact of uncertain launch timing for new systems. According to the report, despite slowing audience growth in the next generation (2% annualized growth in installed base) versus the current generation (8% annualized growth in installed base), game consoles are expected to generate strong revenue growth. The report forecasts that the U.S. console market will grow from \$8.7 billion for 2004 to \$11.7 billion in 2010. "The game console industry is becoming adept at diversifying its products to meet the multiplicity of tastes. The mix of mass appeal content, blockbuster hits, niche titles, enhanced functionality and most importantly value opportunities is keeping the market vibrant," said Jay Horwitz, senior analyst at JupiterResearch. Explaining that the next generation will see consoles make a material contribution to the top line, Horwitz added that, "consoles will add nearly \$4 billion in incremental revenue over the next five years." The JupiterResearch report also addresses the largest source of uncertainty confronting the market: when competitors will launch new systems. "The market is going to be more evenly split this round-regardless of when the players launch," Horwitz explained. According to the report, despite a history of console manufacturers that failed miserably to capitalize on first-to-market advantages, the next launch cycle stands to provide only modest benefits to Microsoft should it be launch-ready by holiday 2005, ahead of its competitors. This stands in contrast to expectations that this move will marginalize competitors.