Serious Play 2011 Plenary Panel
The US Serious Games Market: Segment Size and Opportunity
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Introductions

Ambient Insight is an integrity-based market research firm that uses predictive analytics to identify revenue opportunities for suppliers.

- Ambient Insight founded in 2004 by Microsoft Training and Certification veterans that built the Microsoft Online Institute (MOLI)

- International “boutique” analysis firm specializing in quantitative analysis, learning technology forecasts, M&A analysis, and competitive intelligence

- Ambient Insight...
  - Does not evaluate, compare, or rank the effectiveness of learning technology products
  - *Does not endorse or promote companies or products*
Ambient Insight’s Learning Technology Research Taxonomy

Eight Buyer Segments

- Consumer
- PreK-12
- Higher Education
- Corporations and Businesses
- Federal Government
- State and Local Government
- Associations, NGOs, and Non-Profits
- Healthcare

Buy Eight Types of Pedagogically-defined Learning Products

- Self-paced eLearning Courseware
- Digital Video, Text, & Audio Reference
- Collaboration-based Learning
- Social Learning
- Simulation-based Learning
- Game-based Learning
- Cognitive Learning
- Mobile Learning

From Four Types of Suppliers

- Packaged Content
- Custom Content Services
- Software as a Service (SaaS)
- Tools and Installed Technology
Ambient Insight’s Learning Technology Research Taxonomy

Eight Buyer Segments

Buy Eight Types of Pedagogically defined Learning

From Four Types of Suppliers

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Game-based Learning

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Digital Video, Text, & Audio Reference
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Software as a Service (SaaS)
Tools and Installed Technology

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PreK-12
Higher Education
Corporations and
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Ambient Insight 2011
Ambient Insight Market Data Sources:


The US Market for Mobile Learning Products and Services: 2010-2015 Forecast and Analysis”
Key Findings: Simulation-based Learning Market

- The US Simulation-based Learning market reached $990.2 million in 2010. The five-year compound annual growth rate (CAGR) is 20.2% and revenues will reach $2.48 billion by 2015.
- The revenues for Simulation-based Learning will be **seven times higher** than Game-based Learning by 2015.
- We do not include high-end simulators in our analysis because the revenues are only addressable by a handful of companies.
- Healthcare buyers now pay custom content development firms to create simulation-based patient education.
The Tablet is the Game Changer for Simulation-based Learning in the Healthcare Segment

Philips Healthcare XperGuide

Simbionix surgical simulation training app
Key Findings: Game-based Learning Market

- The US Game-based Learning market reached $231.6 million in 2010. The **growth rate is 12.3%** and revenues will reach **$413.2 million by 2015**.

<table>
<thead>
<tr>
<th>Product Type</th>
<th>5-year CAGR</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Custom content development services</td>
<td>21.4%</td>
<td>$92.9 million</td>
</tr>
<tr>
<td>Packaged content</td>
<td>10.2%</td>
<td>$320.3 million</td>
</tr>
</tbody>
</table>

- **Mobile packaged edugames** are already outselling non-mobile (PC/web/console) edugames

<table>
<thead>
<tr>
<th>Packaged Content</th>
<th>5-year CAGR</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-mobile Edugames</td>
<td>0.07%</td>
<td>$82.0 million</td>
</tr>
<tr>
<td>Mobile Edugames</td>
<td>15.2%</td>
<td>$238.2 million</td>
</tr>
</tbody>
</table>
“The 2010 Content Trench” – Percent of Total Paid Mobile Learning Applications in Content Catalogs by Target Demographic

What’s on the Store Shelves?
Consumer-facing Paid Mobile Learning Content
Across All Major Application Stores, Platforms, and Devices

The vast majority of PreK-3 Mobile Learning content is game-based

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Key Findings: Game-based Learning Market

- Healthcare organizations, corporations, and the federal government are the top buyers of custom development services.
- Revenues for **non-mobile** custom development services will reach $67.8 million by 2015, compared to $25.0 million for **mobile** services.

*From a revenue perspective, if you are:*

- A **custom development company**, non-mobile edugame services for organizational buyers is the way to go.
- A **game publisher** selling packaged games, mobile edugames for children and older adults is the way to go.

- Simulation-based Learning
- Game-based Learning

$US Millions

- 2007
- 2008
- 2009
- 2010
- H1-2011
Ambient Insight Research Sources

www.ambientinsight.com

- Ambient Insight’s Free Resource Library at:
  - http://www.ambientinsight.com/News/PublishedContent.aspx

- The US Market for Mobile Learning Products and Services: 2010-2015 Forecast and Analysis
- The US Market for Game-based Learning Products and Services: 2010-2015 Forecast and Analysis
- The US Market for Location-based Learning Products and Services: 2010-2015 Forecast and Analysis
- The US Consumer Market for Brain Fitness Applications: 2009-2014 Forecast and Analysis
- Market for Ambient Insight’s 2011 Learning Technology Research Taxonomy