Virtual Goods Revenues Rise For Mobile Players

Contributed by eMarketer
Wednesday, 16 November 2011
Last Updated Thursday, 17 November 2011

Casual desktop spending stalls

Virtual goods spending is on a steady growth trajectory according to eMarketer estimates, and research shows that around the world mobile will begin contributing significantly to this trend.

Juniper Research reported estimates in October that worldwide virtual goods revenues for items purchased on mobile social media would reach $3 billion this year and rise to $4.6 billion by 2016.

As mobile virtual goods purchases rise, those on other types of games may be stalling. Players of casual online games, for example, have reported a decrease in median spending on virtual goods items, probably as the novelty of spending money on otherwise free social games has worn off.

But other, more hardcore gamers, have continued spending on the desktop as more casual players have turned to mobile for their virtual fix.

IHS Screen Digest estimated in September that desktop-based microtransactions, such as in-game purchases of virtual currency or items, reached $1.13 billion last year, with room to grow to $1.8 billion by 2015.

By that year, the firm predicted, such virtual purchases would outweigh subscription fees to account for the majority of online PC gaming revenues.

Research from social gaming firm Kabam also supports the idea that hardcore gamers will continue to provide a significant share of this revenue.

The company polled US gamers in May about their spending on virtual items, and while 22% of casual social gamers reported spending at least $50 on virtual goods annually, 44% of hardcore social gamers said the same.

15 November 2011