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Futuresource Consulting: Mobile gaming market worth 10 billion dollars by 2014

The rapid growth in apps games continues to drive the mobile gaming industry, with the total mobile games market on track to reach nearly US\$10bn worldwide by 2014, according to a new strategic report from Futuresource Consulting.

In 2010, the Apple App Store alone, excluding iPad, is forecast to generate around US\$1.7bn in games revenues globally, accounting for almost 30% of the total mobile gaming market. In comparison, traditional mobile games - mainly downloaded from mobile network operator stores - account for 60%, with other apps stores, in particular the Android market, representing the remaining 10%.

“There is no doubt that paid-for apps games are leading the gaming charge,” says Patrik Pfandler, Lead Mobile Analyst at Futuresource, “and our forecasts show apps-based gaming will account for more than 95% of total mobile gaming revenues by 2014 -that’s despite the glut of free apps games out there.

“The growth of in-apps payments is a key ingredient in the commercial success of apps gaming. In the short term we’ll see the rise of the ‘freemium’ business model, where the game is downloaded for free, but incorporates micro-transactions and virtual currencies, encouraging users to unlock additional features, new levels and premium content. In the longer run, we’re going to see ad-funded apps games start to gain more traction as well.

“The accelerating uptake of smartphones has been the primary driver in apps growth, with high quality touchscreens, powerful programmable processors, improved graphics and cameras, increased storage, accelerometer and GPS all becoming standard and all making their contribution to an improved mobile gaming experience.”

Futuresource expects smartphone ownership to grow by 50% in 2010, achieving 270 million units worldwide, with the uptake being driven by the increased availability of devices, continued strong sales of iPhones and - more recently - a growing demand for Android-powered mobile handsets. And although the Android market currently lacks the variety of quality apps and games titles that can be found in the Apple App Store, Google’s mobile platform is rapidly gaining a share of the apps market, as more games developers and publishers begin to migrate across.

The Futuresource *Mobile Games Report* was released in October 2010 and explores the current and future developments within the mobile gaming industry, putting apps-based gaming into the overall mobile gaming and applications context. Detailed mobile games forecasts are provided by platform and country, and countries covered in the report include USA, UK, France, Germany, Italy and Spain. For more information or to purchase this report, please contact Patrik Pfandler on +44 (0) 1582 500 163 or via email at patrik.pfandler@futuresource-hq.com.

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