GAMES MONITOR

THE NETHERLANDS **2018**

Dutch
Game
Garden

Introduction

This factsheet for the Games Monitor presents an overview of the state of affairs for the Dutch video games industry between 2015 and 2018. This is the third edition of a Games Monitor for the Dutch game industry and we've made sure to make comparisons with the previous editions from 2012 and 2015. This overview is put together through desk research and the results of a questionnaire that was sent to approximately 500 companies and returned by 165. Several industry roundtable discussions were organized to verify and analyze the results from the questionnaire. A more extensive analysis can be found online at ***www.dutchgamegarden.nl/gamesmonitor***

Definition of the games industry

The games industry includes all companies whose core activities include at least one of the following processes in the value chain: the development, production, publication, facilitation and/or electronic distribution of electronic games.

As a consequence, many organizations that are actually active in the games industry (clients, educational institutions, research institutes), were excluded from our analyses. They are part of the game ecosystem, but the development of games is not their core business.

The Games Monitor further discerns two domains in the games industry: entertainment games and applied games. Entertainment games entail all electronic games that have entertainment as their primary goal. On the other hand, applied games, also referred to as serious games, aim to inform, educate or train end-users. Applied games are developed and distributed in many sectors, including education, health, transport, marketing and defense.

Companies and jobs

The Dutch games industry is a fast-growing industry that is becoming more mature and competitive. In the period 2015-2018 growth accelerated to an average job increase of 10 percent per year. Growth in employment and turnover is now exceeding company growth due to scaling up of Dutch game companies and productivity growth. By the end of 2018 the Dutch game industry consisted of **575** companies and **3,850** jobs. Overall, they report a total turnover of approximately **€ 225-300** million in 2018. Compared with 2015 a larger group of companies reports a turnover of more than **€1** million a year.

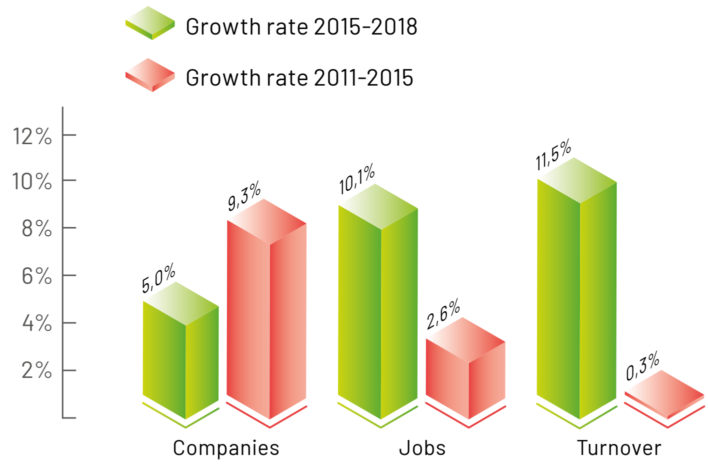


Figure 1: Growth of the Dutch Games industry 2015-2018 and 2011-2015 in number of companies, number of jobs and turnover, growth in percent per year [1]

Size of companies

The average size of a company remains small at about **7** employees on average. This can be explained by the large number of self-employed and small companies in the games industry and the limited number of large companies. Compared to the Games Monitor 2015 scaling up of game companies is taking place. The number of companies in the middle-sized size categories (companies that employ between **11** and **100** people) has increased with **40** companies.

Regional highlights

Amsterdam and Utrecht are the two largest game development cities in the Netherlands. Game activities are also concentrated in other cities such as Rotterdam, Eindhoven, and The Hague. Growth of the games industry in the Netherlands is concentrated in the cities of Amsterdam, Utrecht and Eindhoven. More than **60** percent of the net job growth in 2015-2018 is concentrated in these three cities. Groningen, Haarlem, Leeuwarden and Breda also have many game development companies, but they are often small.

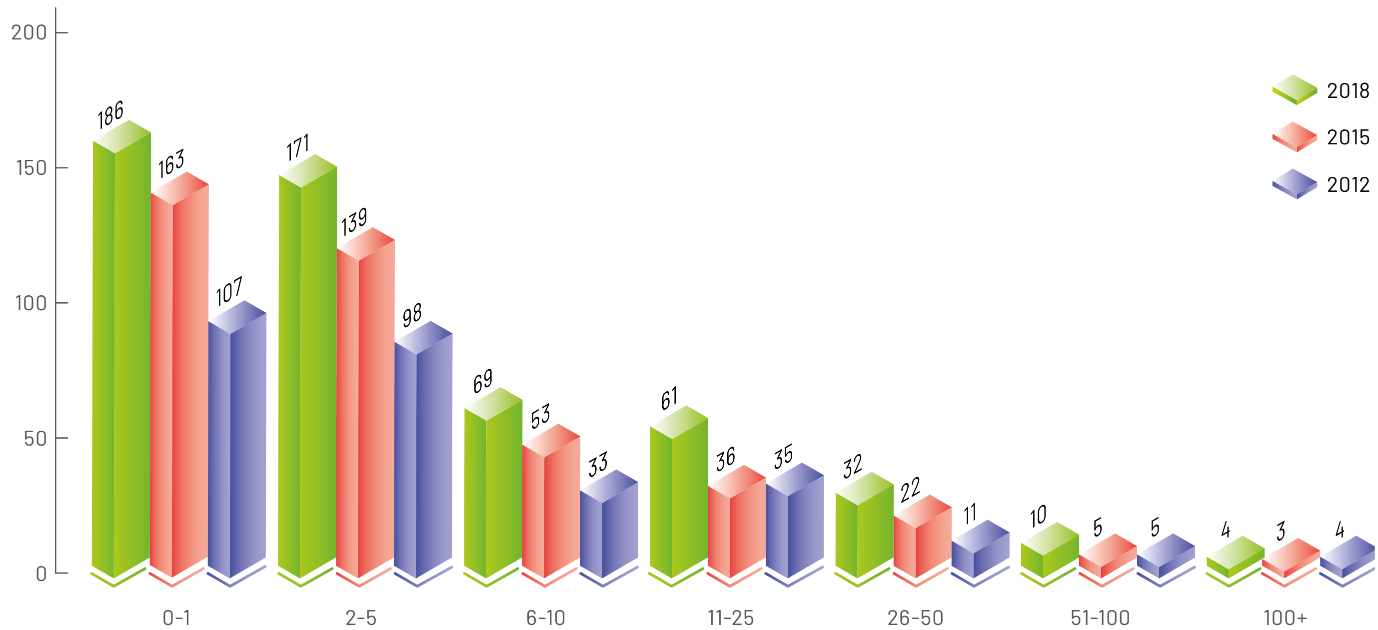


Figure 2: Growth of game companies by firm size in 2011-2015 and 2015-2018 [2]

Applied vs. entertainment

Compared to the 2015 Games Monitor, the total number of game companies increased with more than **50** companies that focus on entertainment games. This is a continuation of the trend from the previous Games Monitor. From an international perspective, applied games have a strong foothold in the Dutch games industry. But in growth perspective, the number of applied game developers is stabilizing at a total of **114** companies.
Both entertainment games and applied games companies show a growth in the number of employees.

Applied games

When we look at clients in the applied games industry, healthcare and education are still the largest market segments for applied game companies. Other than maintaining clients in education and healthcare segments, applied game studios expect to see client growth at local/national governments and cultural organizations. The work for hire model remains an often-used business model amongst applied game studios. **62%** of all applied games studios reported that they worked on five or more projects in 2018. Over the past three years we have seen some interesting business cases from Dutch applied game studios where they focus for instance on one scalable product or let the game development be part of a larger service for clients. Furthermore, we see more applied game companies who have expanded their operations abroad.

[1] *NEO Observatory, based on data from Dutch Game Garden/LISA/CBS and Games Monitor 2015*

[2] *NEO Observatory, based on data from Dutch Game Garden/LISA and Games Monitor 2015/Games Monitor 2012*

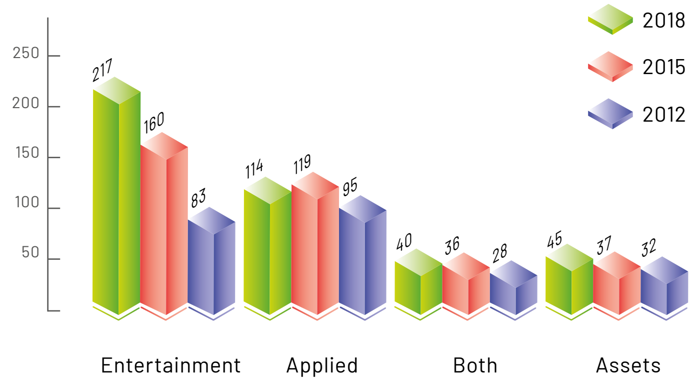


Figure 3: *Number of game developers by specialization*

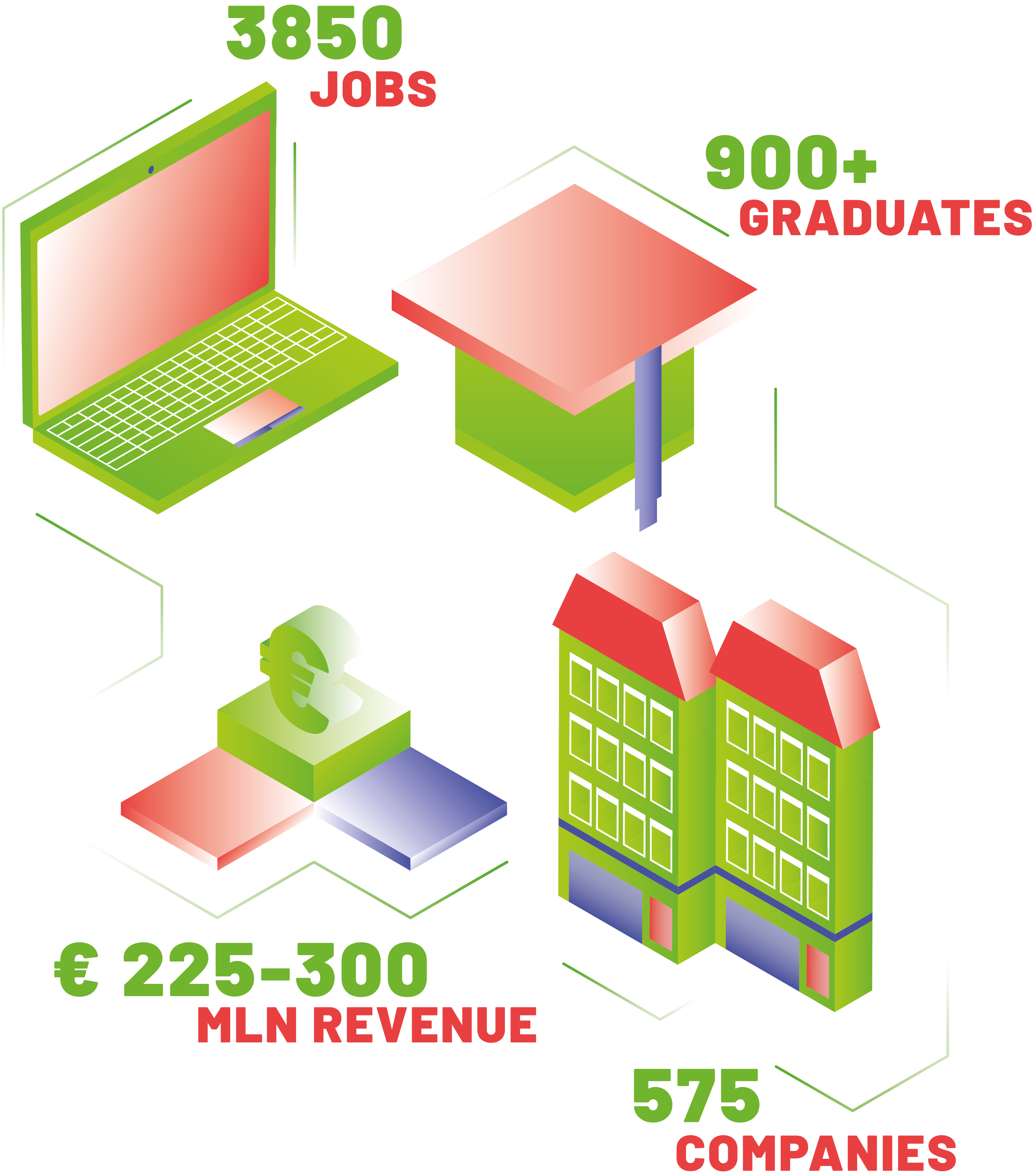
Entertainment games

When comparing the 2015 data with the updated 2018 data, we see a considerable growth of **33%** in the amount of entertainment game companies in The Netherlands. Besides new, young companies entering the market, existing game companies are scaling up and hiring more people as well. We also noted a trend that there have been more investments or strategic acquisitions of entertainment game companies.
Our survey shows that most entertainment game studios rely on premium monetization or in-app purchases/advertising as their primary source of revenue.

Game education

In 2018 the number of game studies has remained stable at **44**. However, this amount does not contain the same educational programs as three years ago. There has been an increase in game related programs at research universities (**2 more**) and at universities for applied sciences (**2 more**). Notably, though, there has been a decrease in the amount of vocational game studies, from **22 to 18** full-time game studies. Furthermore, there are **23** game related minors and courses. If we look at full-time educational programs that focus exclusively on game development, then the number of programs is **32**. The outflow of students that enter the labor market or start their own company was approximately **900** in 2018.

FACTS & FIGURES



YOU HAVE TO
LEARN THE RULES
OF THE GAME

AND THEN YOU HAVE
TO **PLAY BETTER**
THAN ANYONE ELSE

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Dutch Game Garden

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