

ANNUAL SURVEY OF
VIDEO GAMES
IN FRANCE

2021 EDITION

snjv

Syndicat National du Jeu Vidéo

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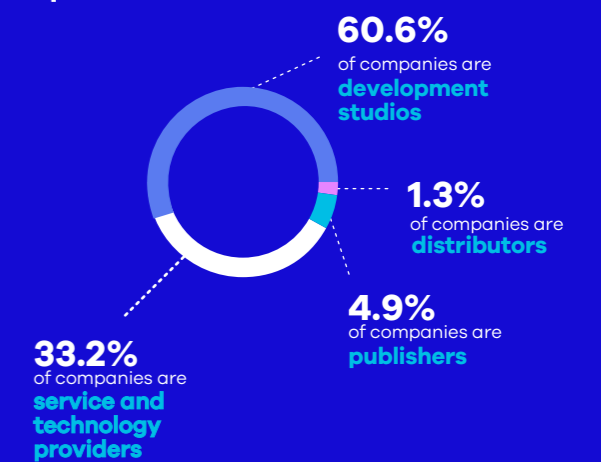
Methodological reminder

The SNJV report provides a representative picture of the sector. It is concerned with the production activity of its nationals, their economic and financial health, and employment. The survey of 1200 verified and qualified companies (excluding associations, specialized public support systems, and educational establishments) took

place between May 3 and June 30, 2021. The questionnaire was distributed by SNJV with the support of regional video game associations. The questionnaire was self-administered online. The rate of participation reached 17%. In this report, whenever "companies" are mentioned, reference is made to all respondents to the

survey, regardless of their primary activity (publishing, development).

Primary activity of companies set up in France



Key takeaways for the year 2021

11.3 FTE*
on average in France
amongst studios of fewer
than 100 employees

80%
of salaried employees
have **permanent
contracts**

22%
women
on staff in development
studios



Recruiting in the sector

**580
to 800**
new jobs
created within
companies

**480
to 650**
new jobs
in development
studios

87% of companies have
**less than 30
FTEs** in 2021

There are **27 FTEs** on
average in development
studios

as well as **11 FTEs** on
average in companies
with less than 100 FTEs

1350 games are **in production**
in 2021

92% of which are
original creations

And **55%** of video games currently
in production **will be released** by
the end of the year.

77%
of studios create
independent
video games

44%
of studios are
**less than 5 years
old**

*Full-Time Equivalent (FTE)

Key takeaways for the year 2021

700 development studios
have been counted
in 2021
versus **500**
in 2019

36.5%
of **revenue** for the
studios was made
internationally
in 2020

18%
of studios
report revenues
in excess of
€1M

41% of companies have relied on
regional aid as a source of
financing

**SIGNIFICANT IMPACT
FROM THE CIJV REFORM***

Following the health crisis

48% of companies have
resorted to financial
aid

63% have seen
reduced
production

29.5%
of companies applied
for a CIJV in 2021



80.5%
of studios
favor the PC

France is considered the
2nd most attractive
country
after the United States

*Video Game Tax Credit

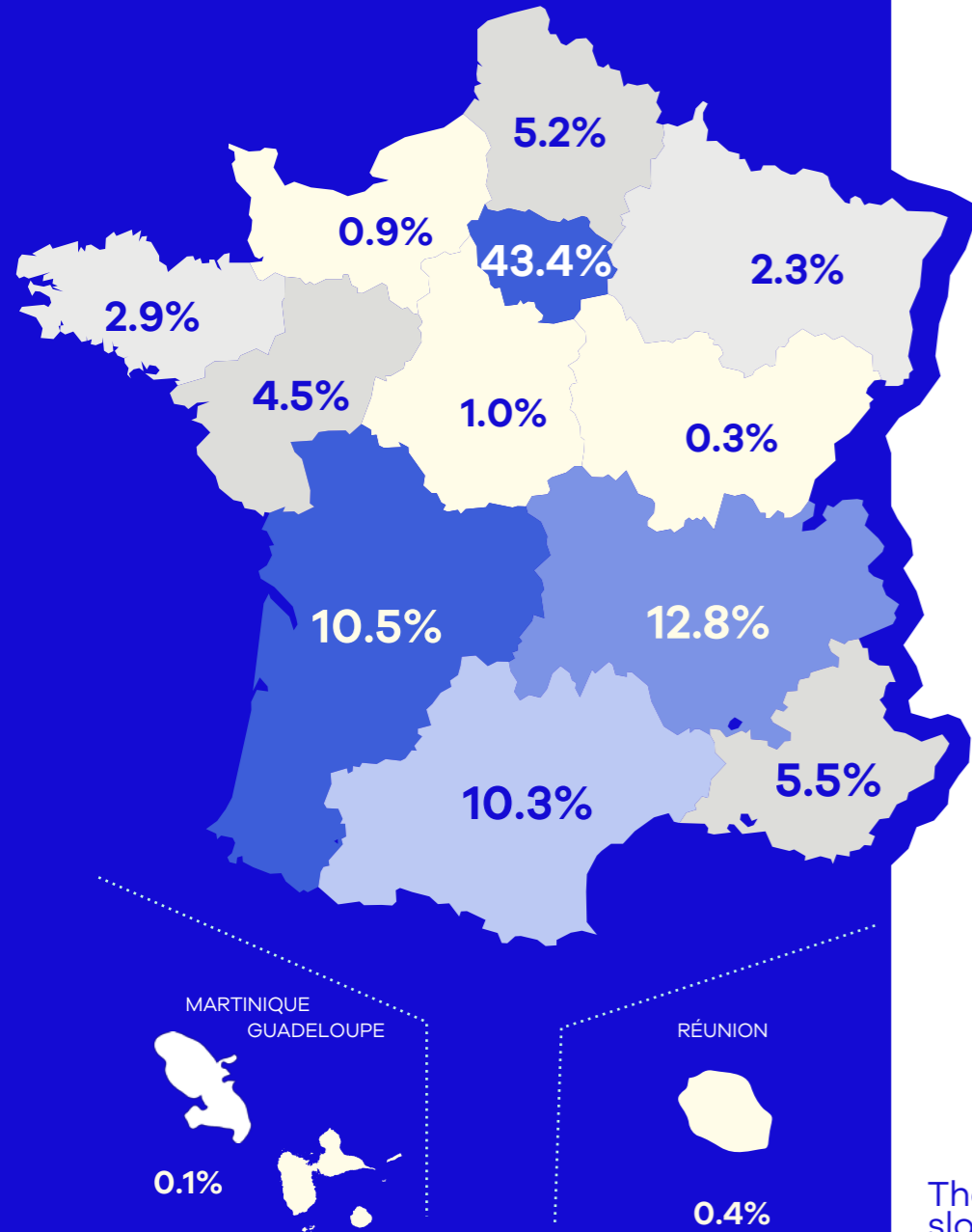
CHAPTER 1

**Production
and the
Economic Fabric**

Percentage of video game companies by region

REGIONAL BREAKDOWN OF ESTABLISHMENTS IN THE VIDEO GAME SECTOR*

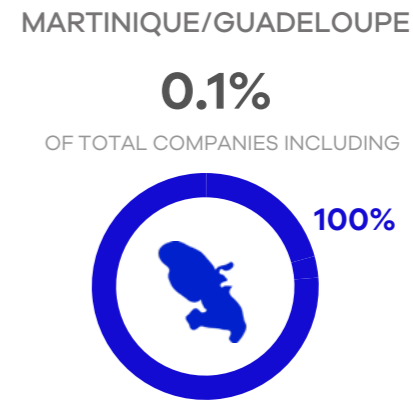
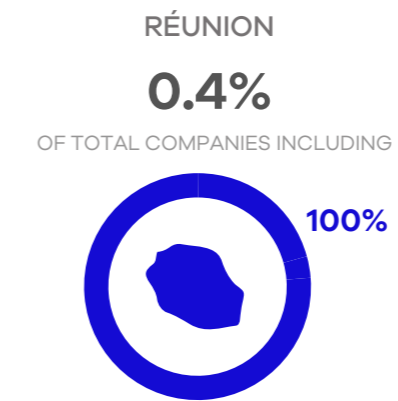
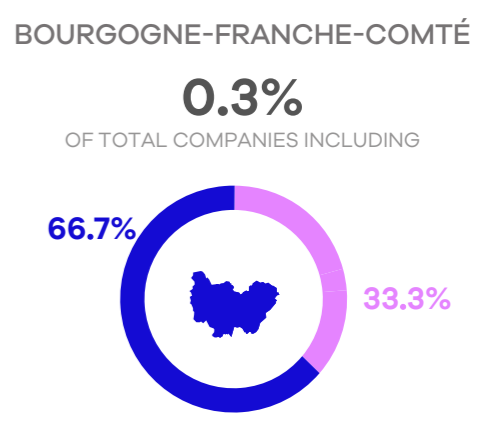
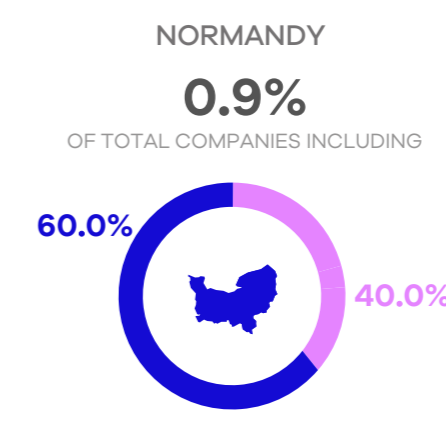
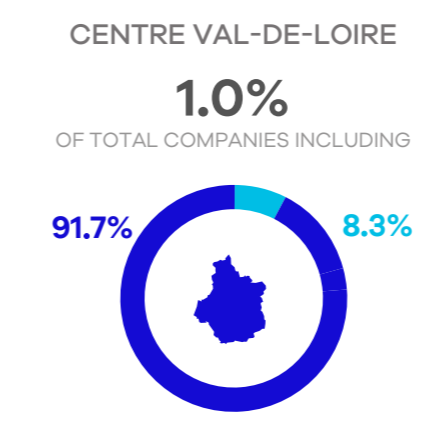
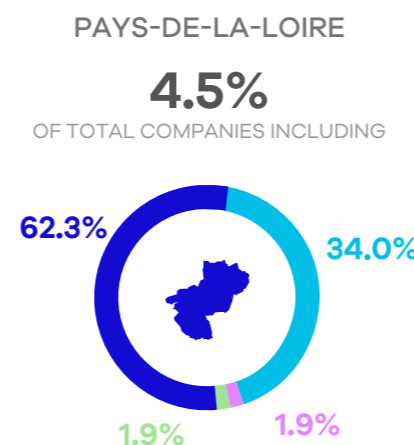
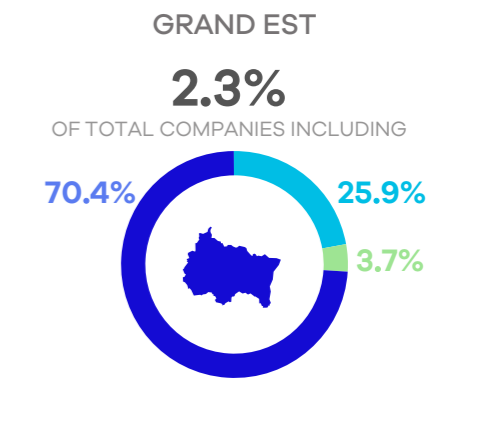
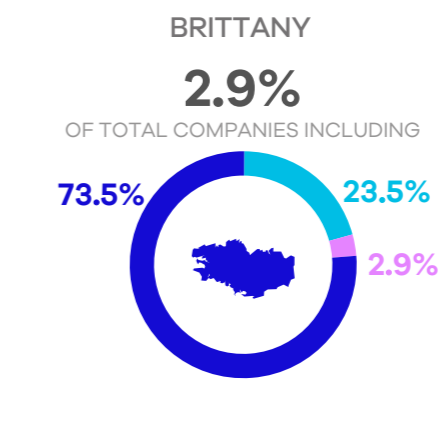
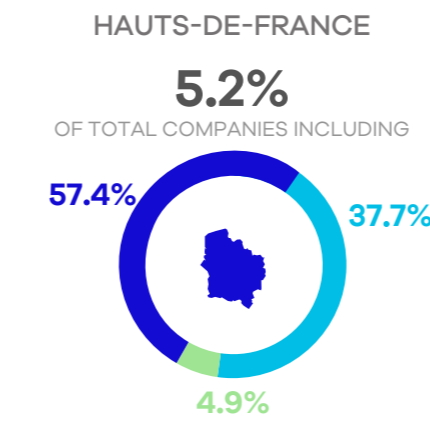
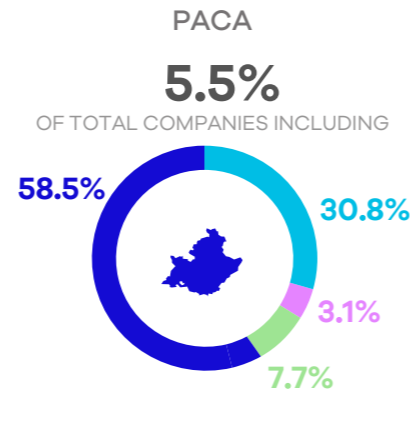
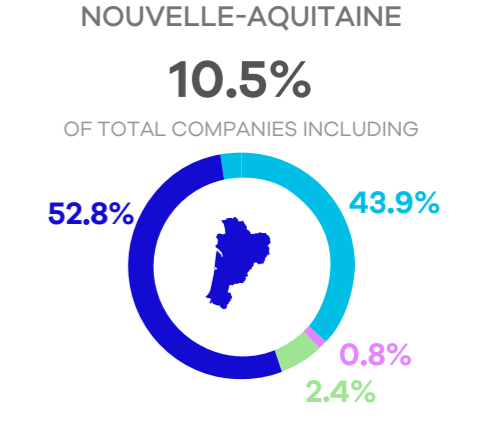
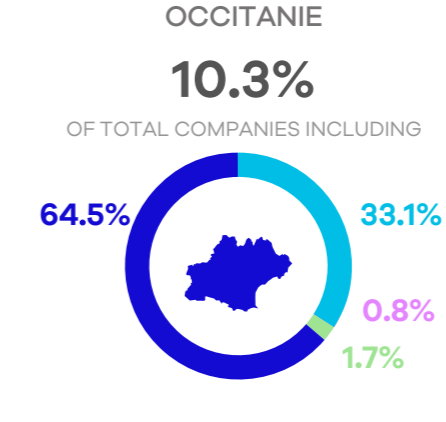
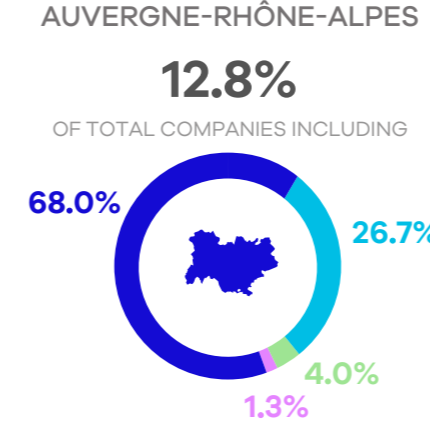
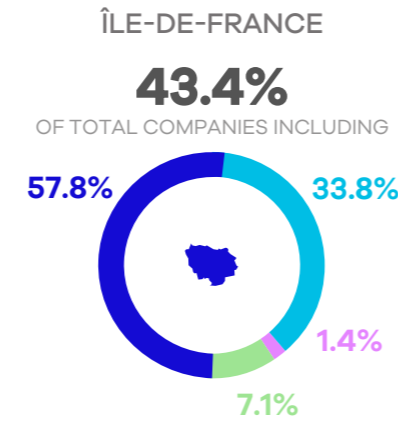
Currently, more than 700 of the 1200 companies in the video game sector are studios



*Are counted : publishers, developers, distributors, service and technology providers

Are not counted : local groups, training organizations, self-employed workers

Distribution of video game companies by region*



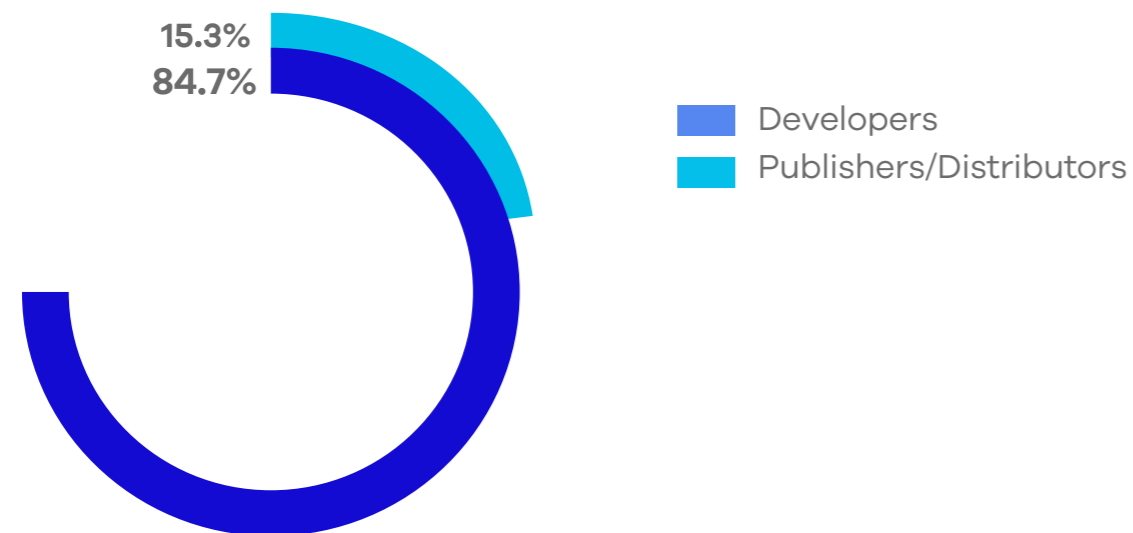
The health crisis has not slowed the dynamic creation of video game development studios in France. Net studio creation recorded a growth rate of 28.8% between 2019 and 2021.



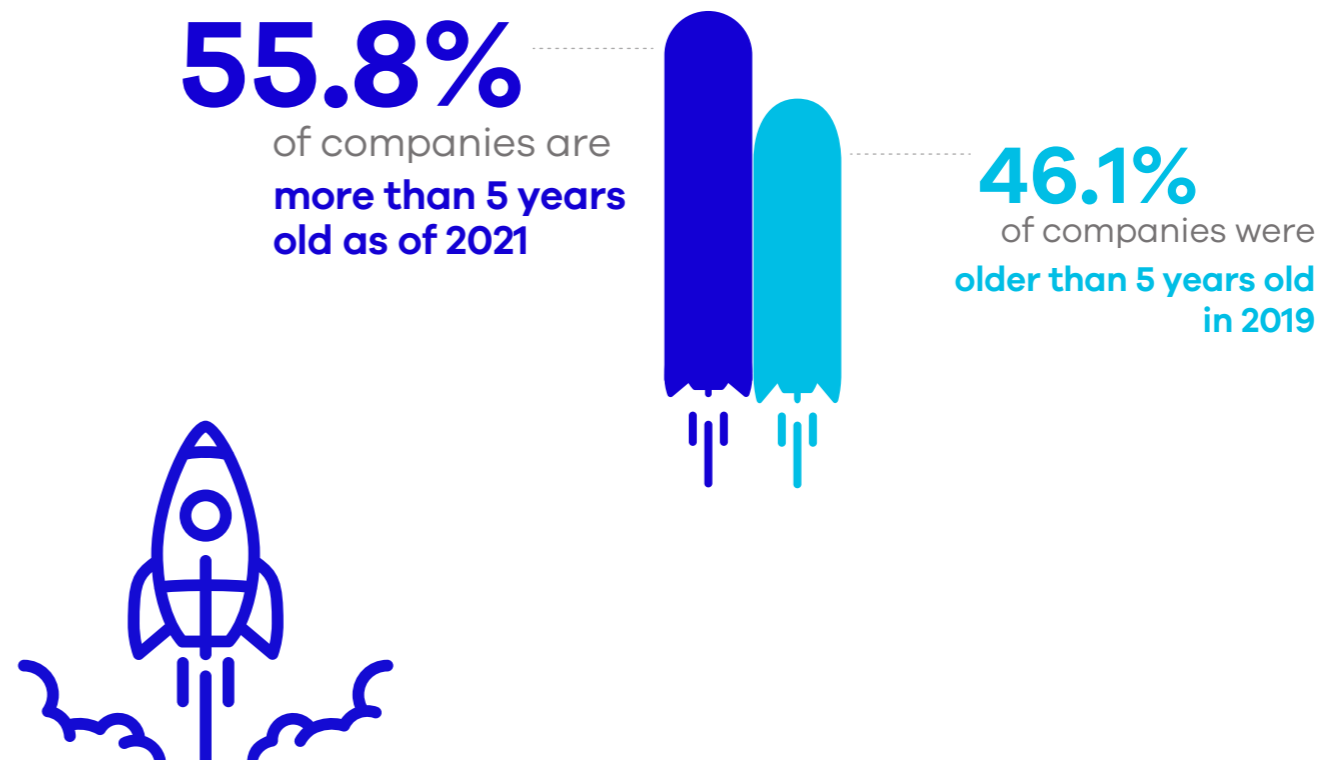
Production activities dominate the sector

PRIMARY ACTIVITY AMONGST COMPANIES WHICH RESPONDED

An increasingly substantial network of businesses focused on production activities



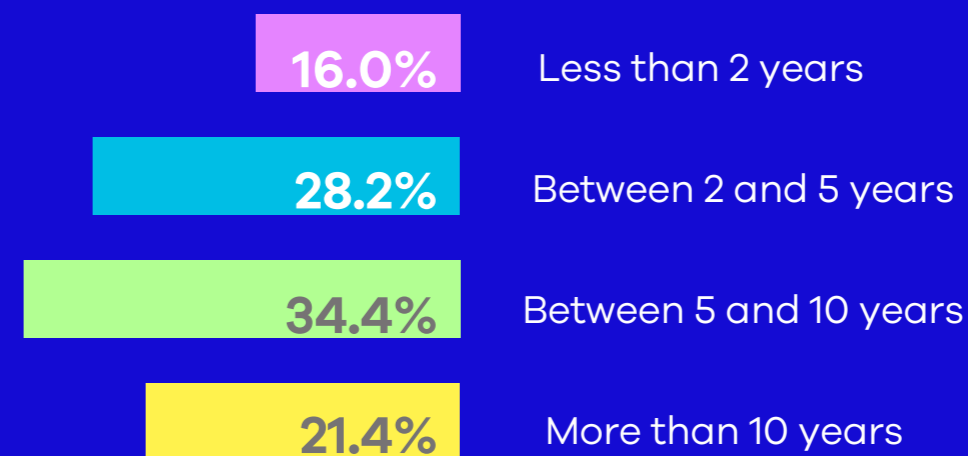
Consolidating the economic fabric



Presently, 2/3 of video game companies in France are development studios

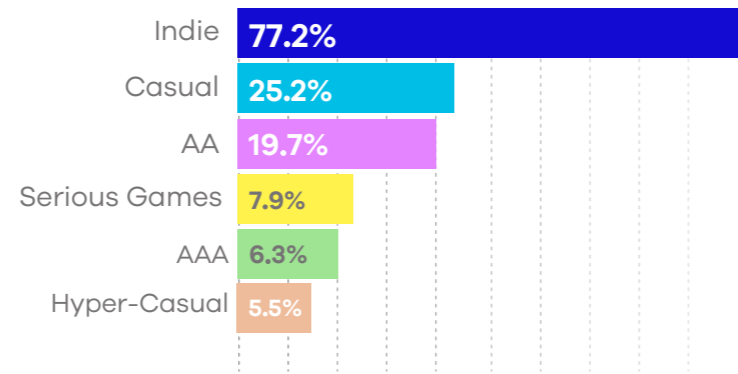
This is the result of a cultural heritage that encourages creation. Equally, it is the result of the work of schools and universities in the territory, which cultivate talent within the industry. It is ultimately the direct outcome of a veritable boom in creation.

DISTRIBUTION OF DEVELOPMENT STUDIOS BY YEARS IN EXISTENCE

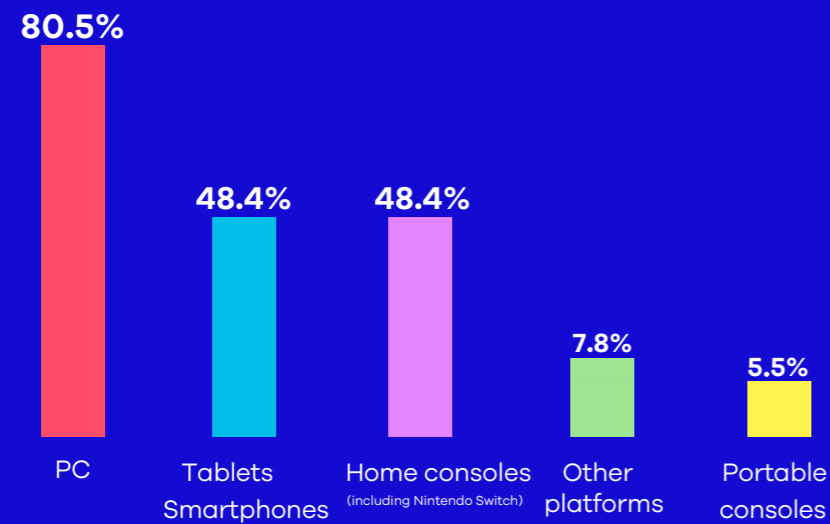


The majority of studios are focused on the production of independent video games

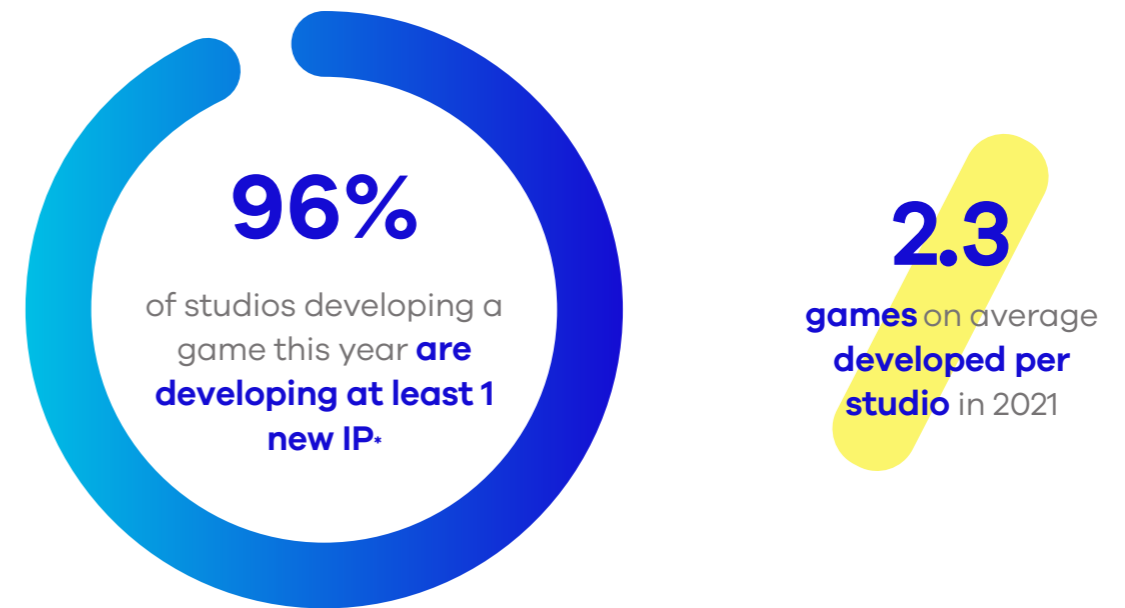
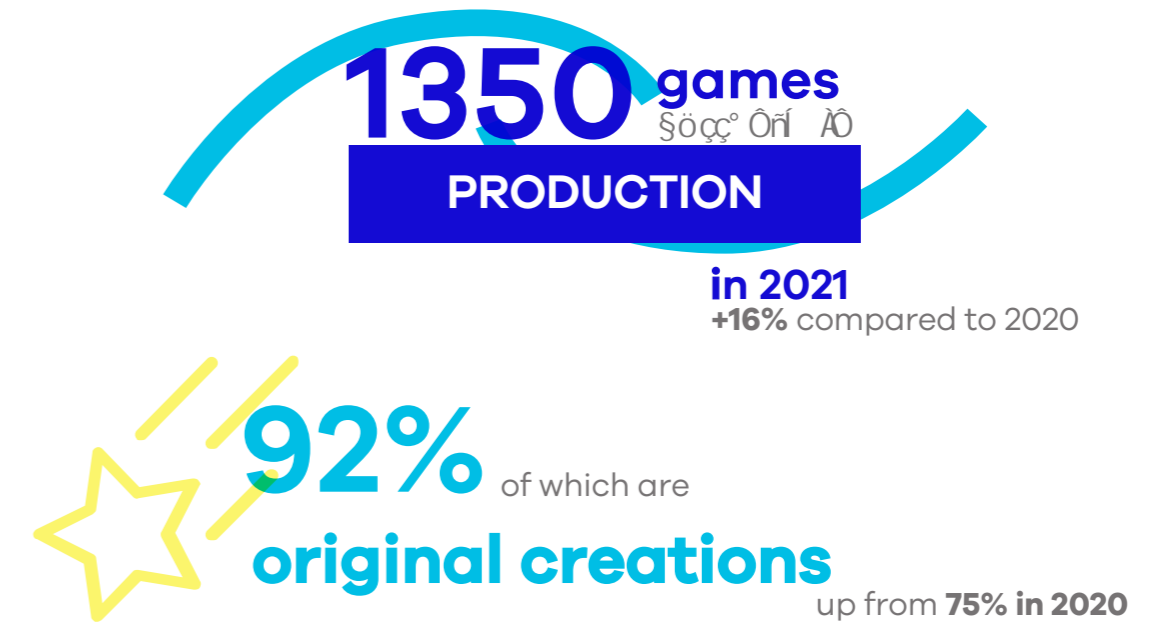
TYPES OF GAMES DEVELOPED BY STUDIOS



PC remains the preferred platform for studios



A growing production of video games



* intellectual property

Industry trends

VIRTUAL REALITY & AUGMENTED REALITY

Nearly **1 in 10** development studios are working on a VR game project

120 VR GAMES are currently in development in France in 2021

Nearly **15%** of development studios are working on an AR game project

60 AR GAMES are currently in development in France in 2021

ESPORTS

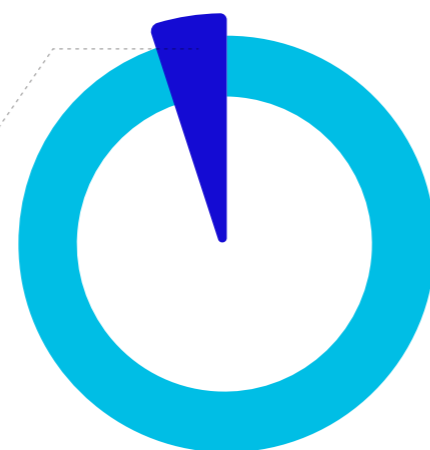


12.5% of studios have at least 1 competitive game in their catalogue

A SIGNIFICANT INCREASE
+5.5 points compared to 2019

BLOCKCHAIN

4% of studios integrate blockchain in the development of their games



More and more studios are looking to publishers

53%

of development studios **used a publisher** in 2021 versus **39%** in 2020

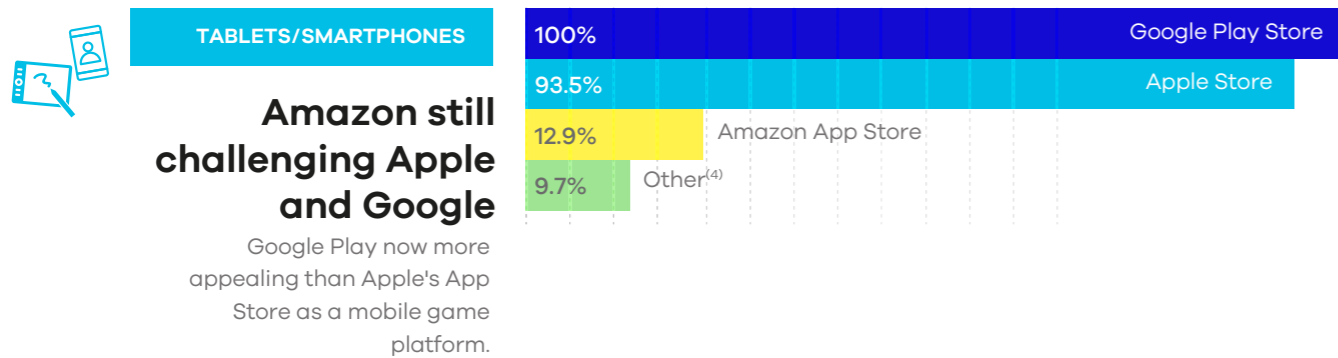
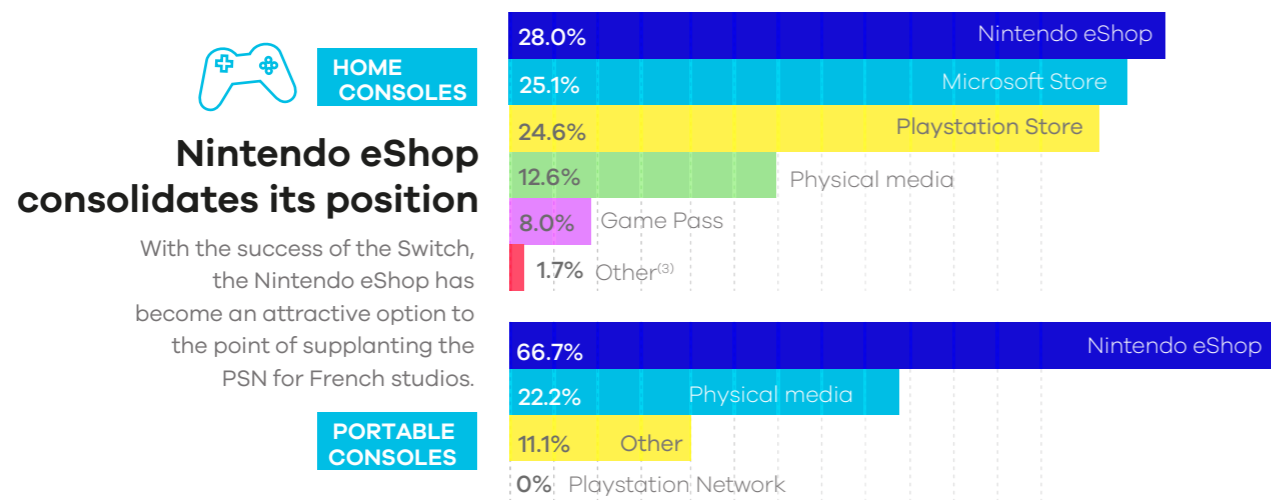
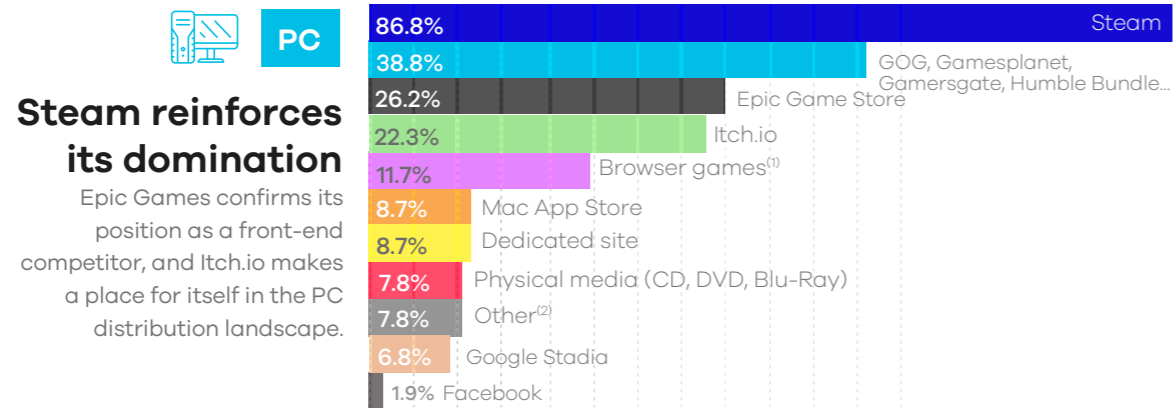
47%

of development studios **marketed their games themselves** in 2021 versus **60%** in 2020

A shift in favor of publishers : a little over half of all development studios state they do not market their games themselves, but rather rely on publishers to market their games

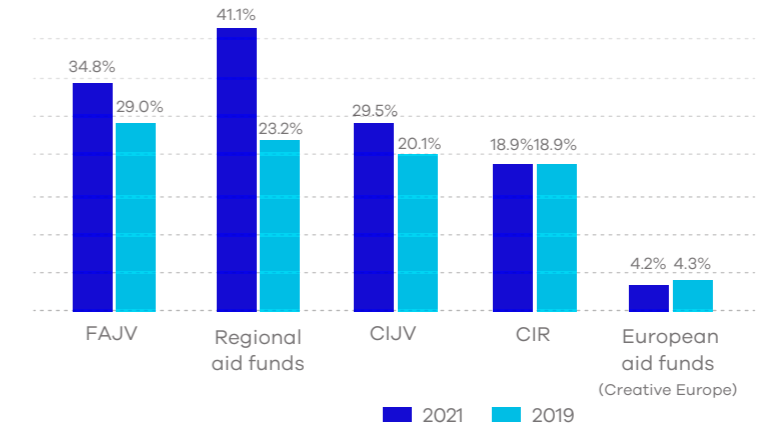
A digital distribution

GAME DISTRIBUTION PLATFORMS IN 2021



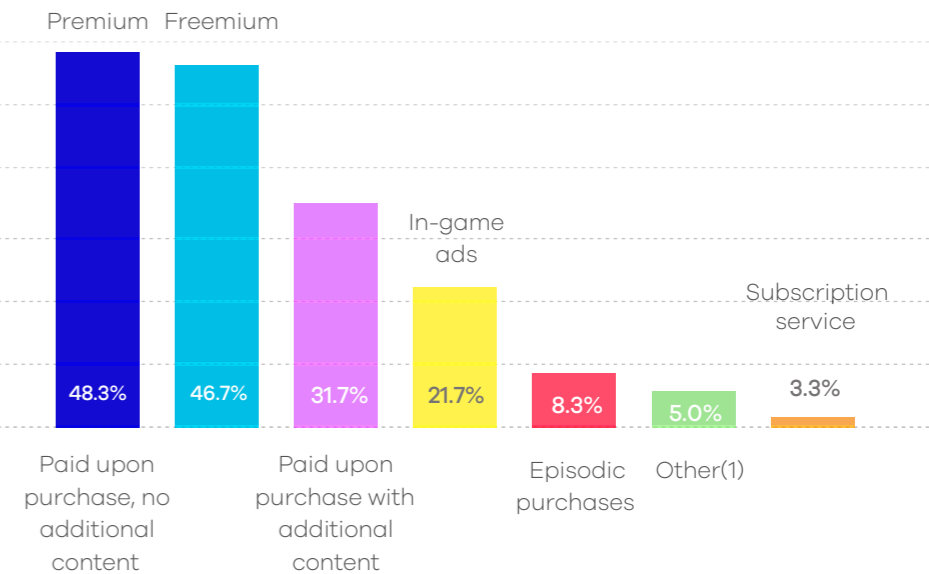
(1) Flash and in-browser games (Kongregate, BigFish Games, Miniclip...)
 (2) Cloud gaming, VR stores, B2B distribution, Windows Store
 (3) Ouya shop, Leap Motion, Play Market, U Play
 (4) Phone service providers, Amazon Appstore, Microsoft Store, Facebook Messenger

SHARE OF PRODUCTION AID USED BY DEVELOPMENT STUDIOS



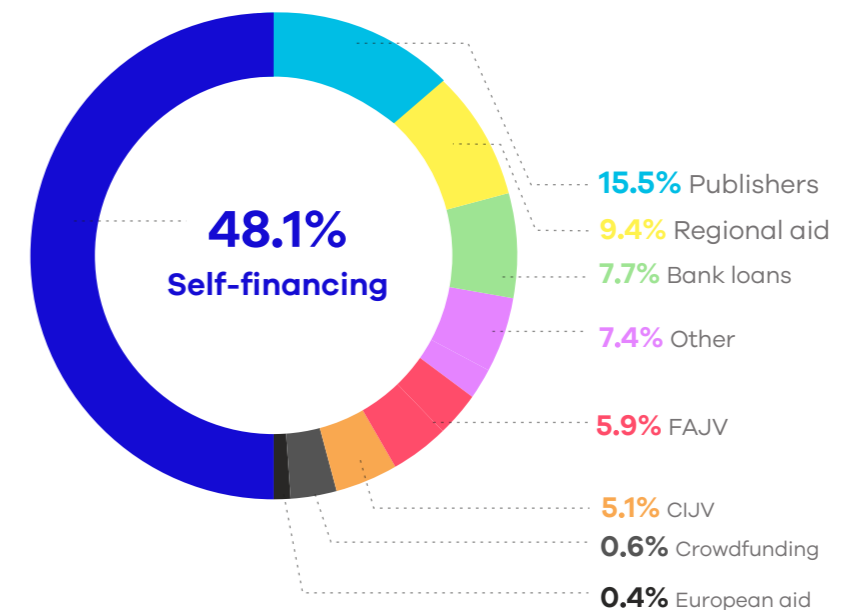
BUSINESS MODELS ADOPTED BY DEVELOPMENT STUDIOS

Premium is down compared to 2019 (where nearly 60% of studios preferred it) in favor of freemium, which has gained 10 points in 2 years. Premium nevertheless makes up 41.5% of the catalog of French studios versus the 20.4% of freemium.



Self-funding still makes up almost half of the production budgets committed by studios: nevertheless in decline **(50%)**

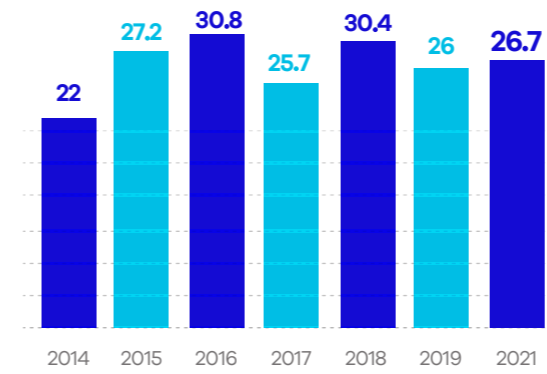
BREAKDOWN OF FINANCING METHODS FOR DEVELOPMENT STUDIO BUDGETS



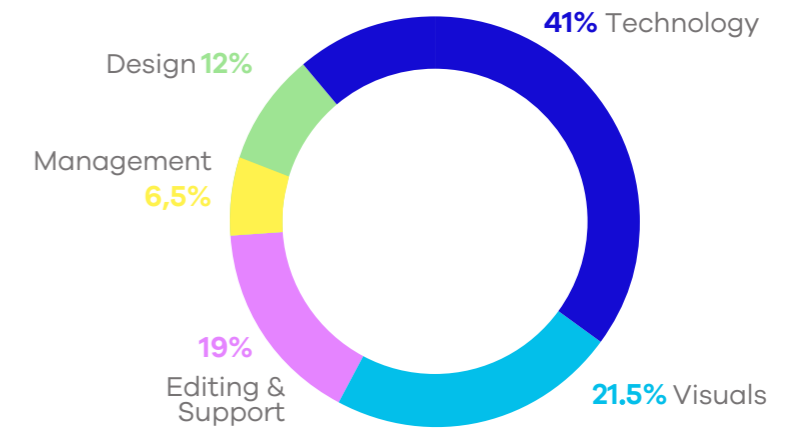
⁽¹⁾ MEDIA Program, CIR

Stabilization of long-lasting, skilled employment

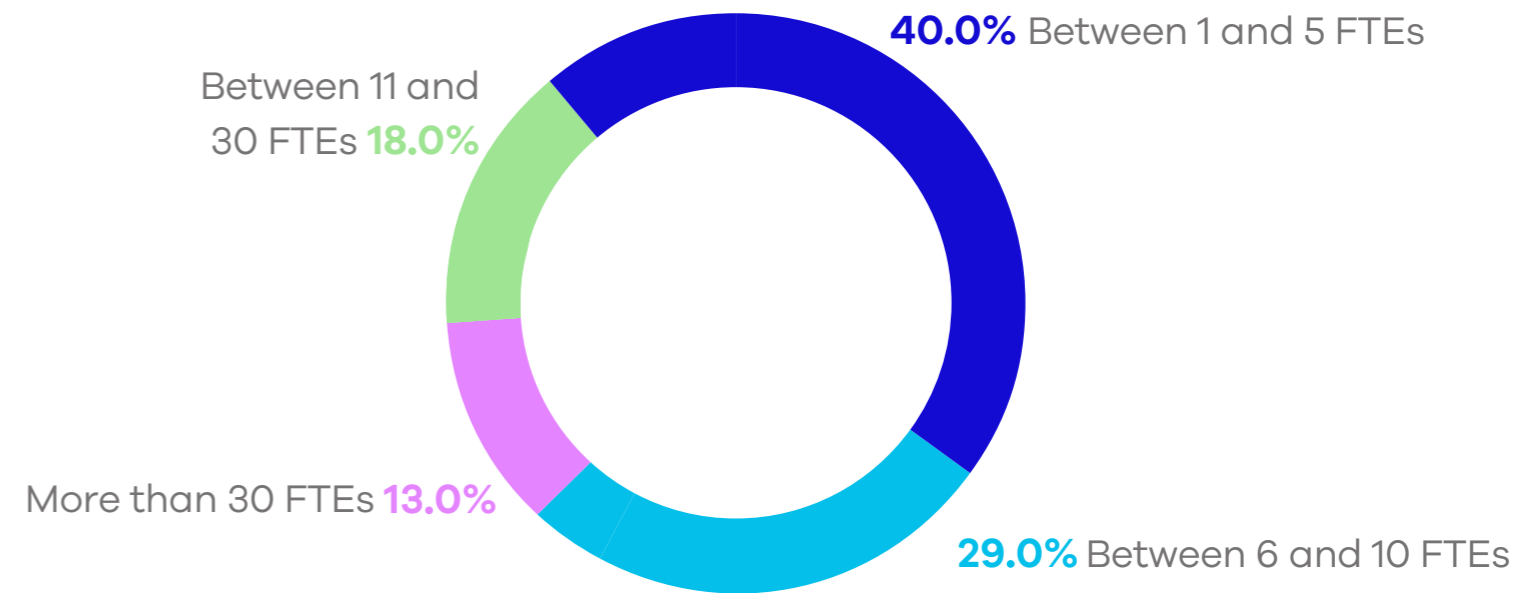
AVERAGE TOTAL STUDIO WORKFORCE SINCE 2014



BREAKDOWN OF WORKFORCE ACCORDING TO JOB CATEGORY



BREAKDOWN OF STUDIOS BY FTE (FULL-TIME EQUIVALENT EMPLOYMENT) BRACKET



CHAPTER 2

Employment

Gender diversity in the industry

Strong growth in the proportion of women in the industry

22%

women
in development
studios



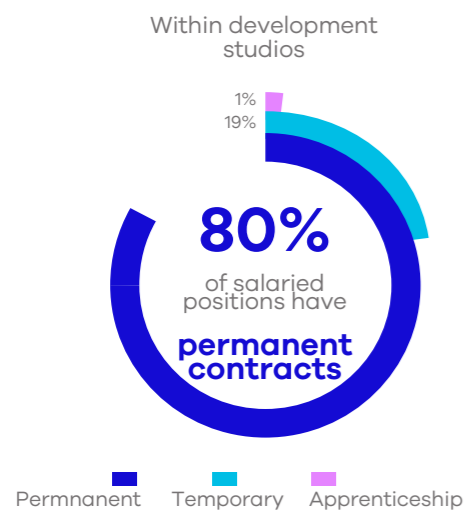
versus
19%
in 2020
+3 points

But only

11%

women in **company
management in
2020**

Dynamic job creation that continues to endure



62%
of companies
made hires
in 2020

A stylized blue line-art icon of a rocket launching upwards, with wavy lines below representing smoke or motion.

An estimated **580** to **800**
new jobs were created by the end of 2020

A yellow starburst icon with three lines radiating from it.

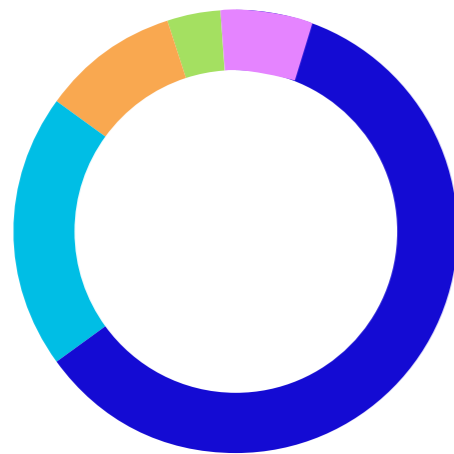
Of which **480 - 650**
were involved in **game development**

CHAPTER 3

Companies and their Economic and Financial Situations

Company revenue experiencing growth: A larger volume of studios outperforming

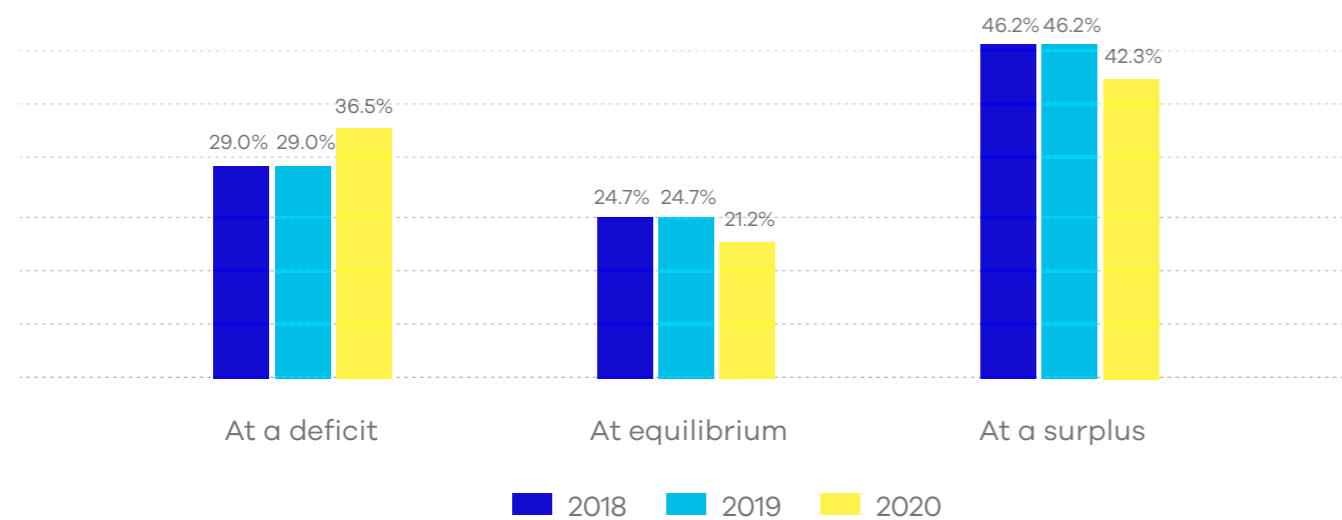
BREAKDOWN OF STUDIOS BY REVENUE



61.7% Less than €300k
18.1% Between €300k and €1M
10.6% Between €1M and €5M
3.2% Between €5M and €10M
6.4% More than €10M

20% of development studios have revenues in excess of **€1M**
 + 5 points

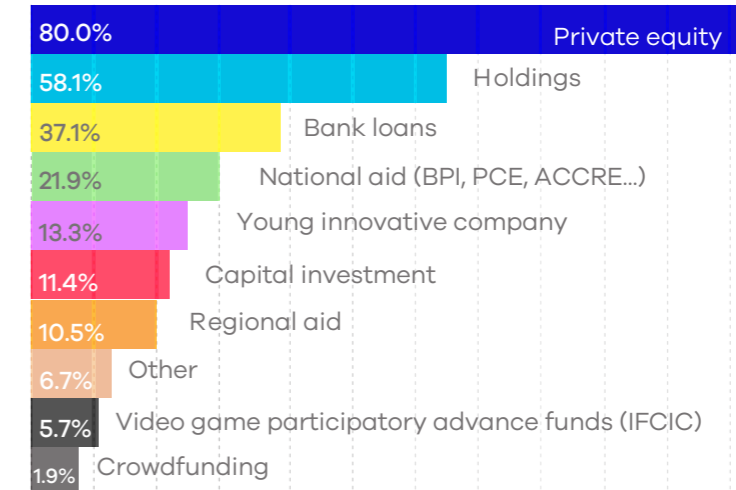
BUT THE COMPANIES' FRAGILE SITUATION PERSISTS



Studios are feeling the impact of the health crisis, resulting in 36.5% of them saying they are running at a deficit in 2020 - a rate which has not been reached since 2014.

Various financial sources behind company growth

FINANCIAL SOURCES OF THE COMPANIES INTERVIEWED



A continually strong interest in the private funding of growth

Fundraising

8% raised funds in 2020
28% intend to do so in 2021

Banks are more involved with development studios

Bank loans

37% borrowed loans
 +14 points since 2019

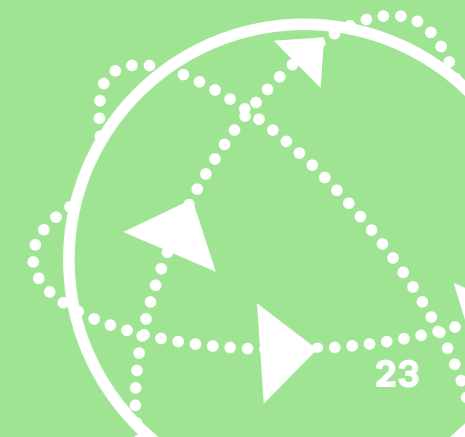
51% are approved with ease

12% are approved with difficulty

An industry focused on exports

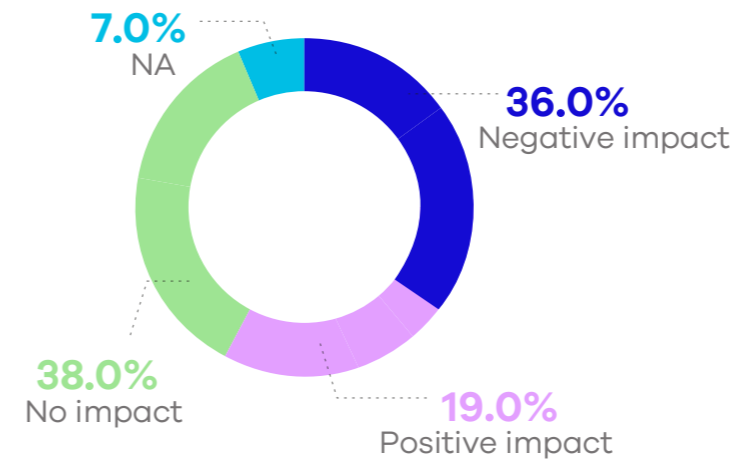
36.5% of revenue by studios will be made internationally

In 2020, companies and development studios devoted 17% of their annual operating budget to international development, compared to 12% in 2018 and 18% in 2019.



An overall negative financial impact

THE EFFECTS OF THE HEALTH CRISIS ON COMPANY REVENUES



Companies that have experienced a **positive impact** have seen revenues **increase** an average of **17%**

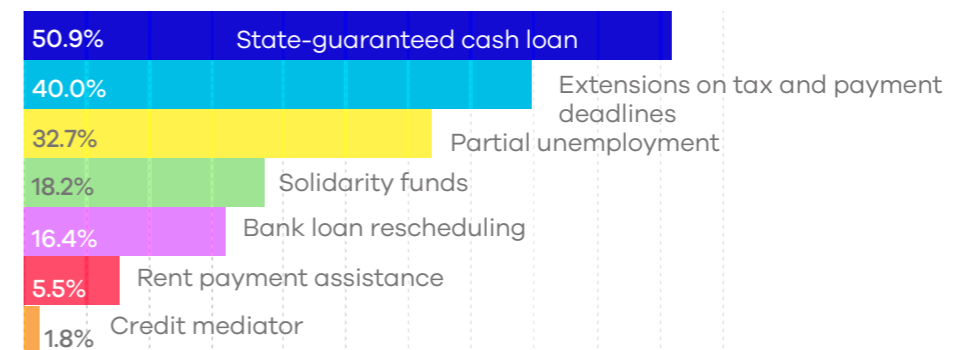
Companies that have experienced a **negative impact** have seen revenues **decrease** an average of **39%**

A mixed opinion on the aid put in place

48% of companies have relied on one or more support systems during the crisis

52% of companies believe the aid and support systems offered by the government were adequate

THE AID SYSTEMS FAVORED BY THE COMPANIES IN THE SECTOR

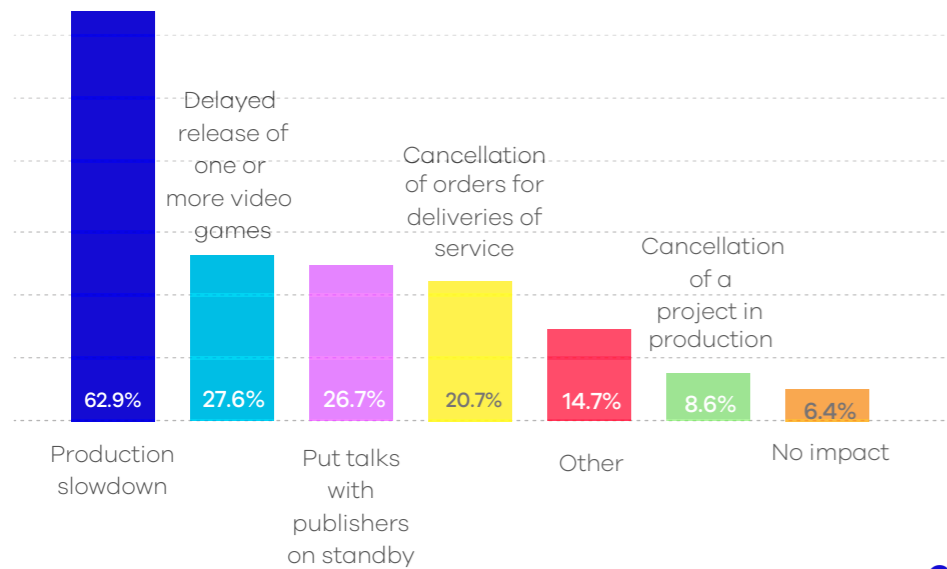


CHAPTER 4

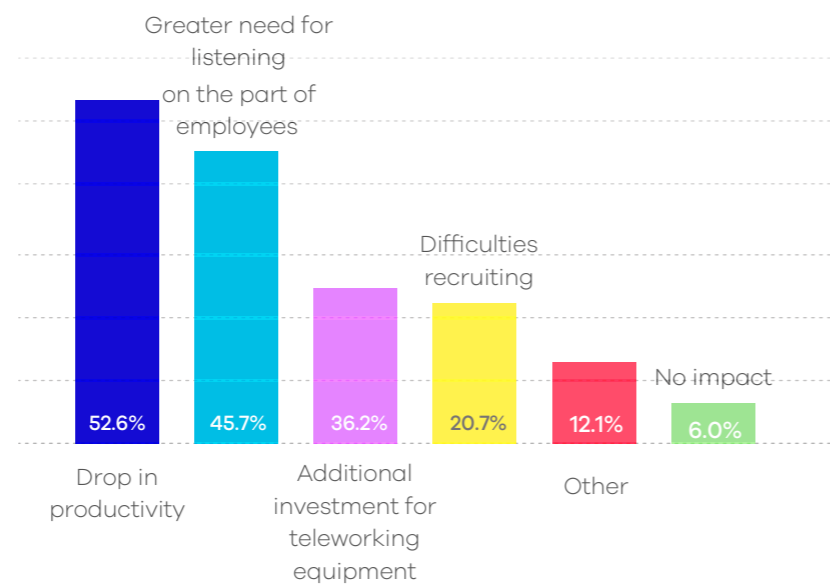
The Impact of Covid-19 on the Industry

Varied consequences for the industry

COVID-19'S IMPACT ON PRODUCTION



COVID-19'S IMPACT ON THE ORGANIZATION OF WORK



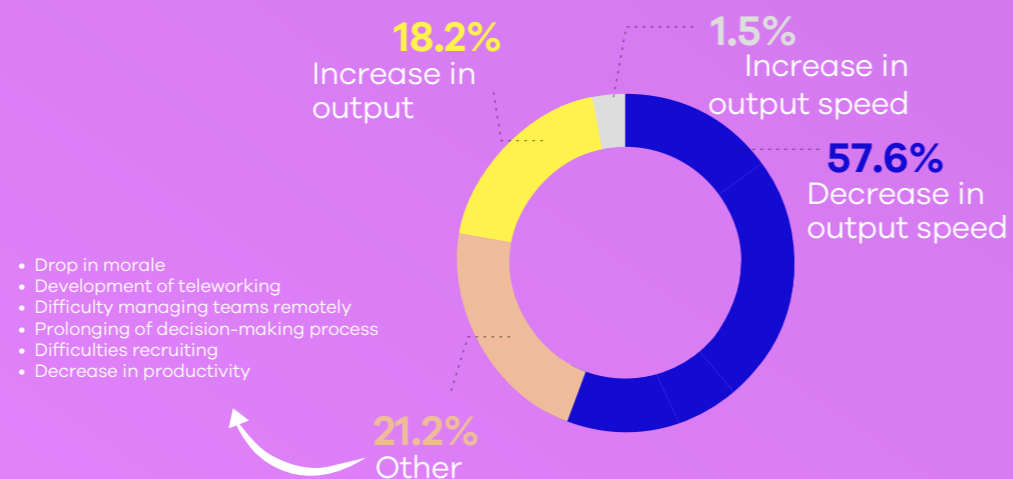
CHAPTER 5

Outlook

56.5%

of companies believe the crisis will have an impact on their activity in 2021

NATURE OF COVID-19'S IMPACT ON OUTPUT IN 2021



Reinforced optimism despite the context of the health crisis

89% are "very confident" or "somewhat confident" in regard to their company
+6 points



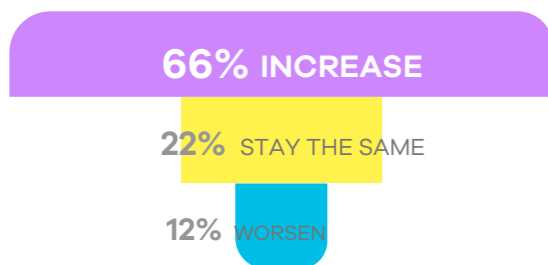
94% are "very optimistic" or "somewhat optimistic" in regard to the French video game sector
+9 points



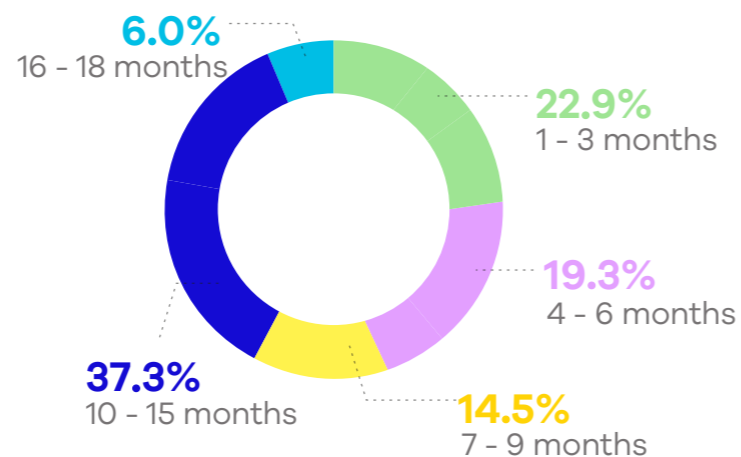
IN THE COMING YEAR, COMPANIES' SITUATIONS WILL...



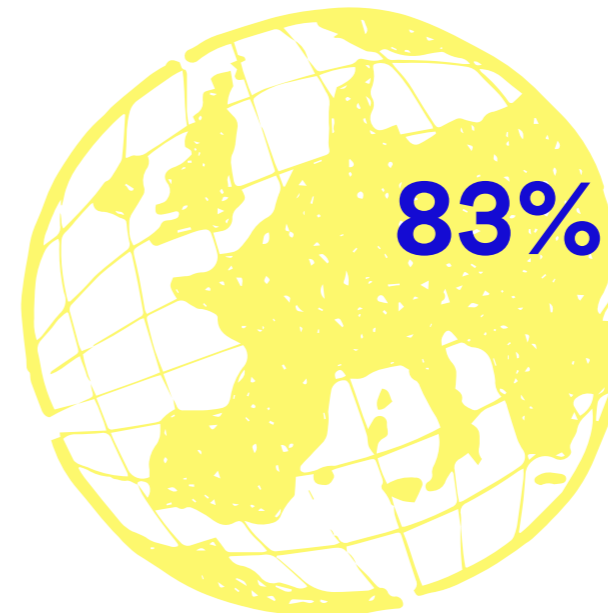
OVER THE NEXT 12 MONTHS COMPANIES' REVENUES WILL...



THE FINANCIAL VISIBILITY OF COMPANIES REMAINS WEAK OVER THE MEDIUM-TERM

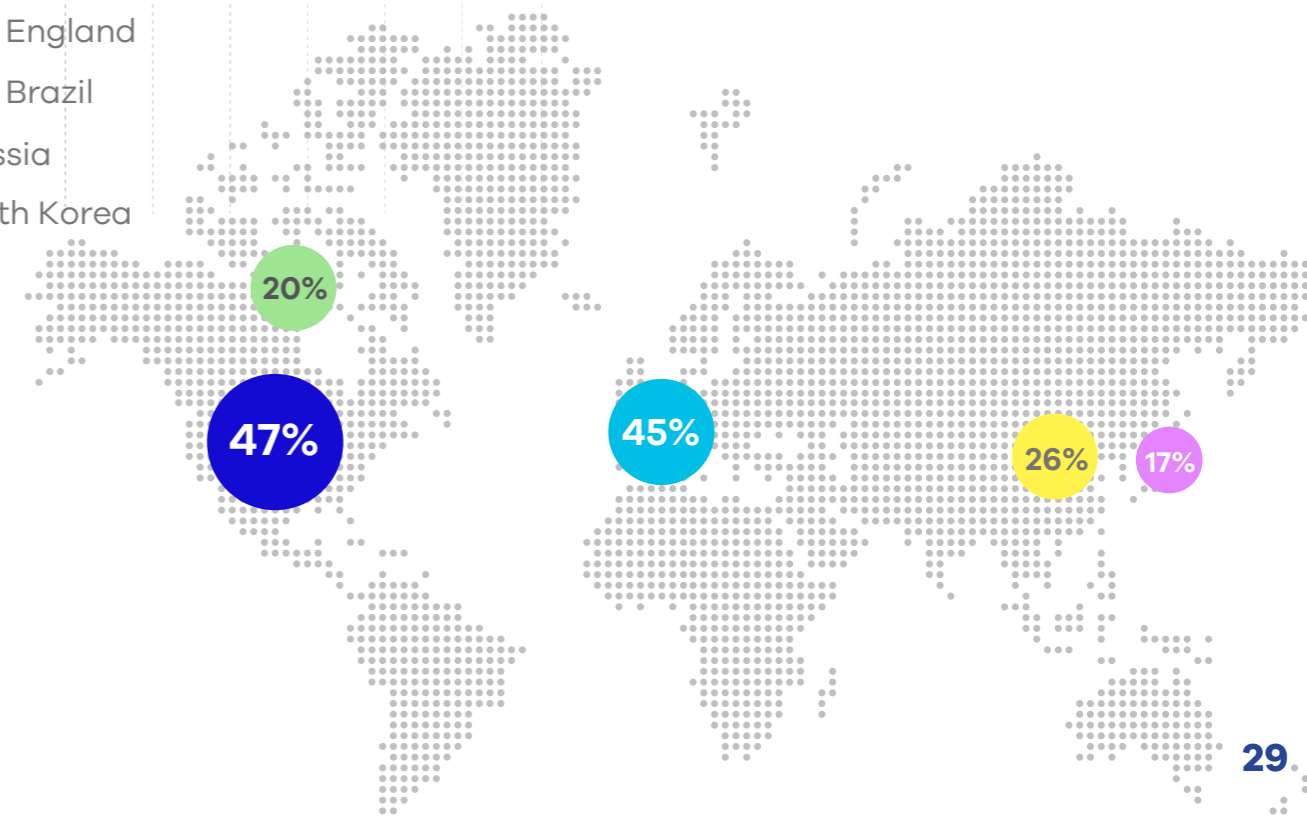
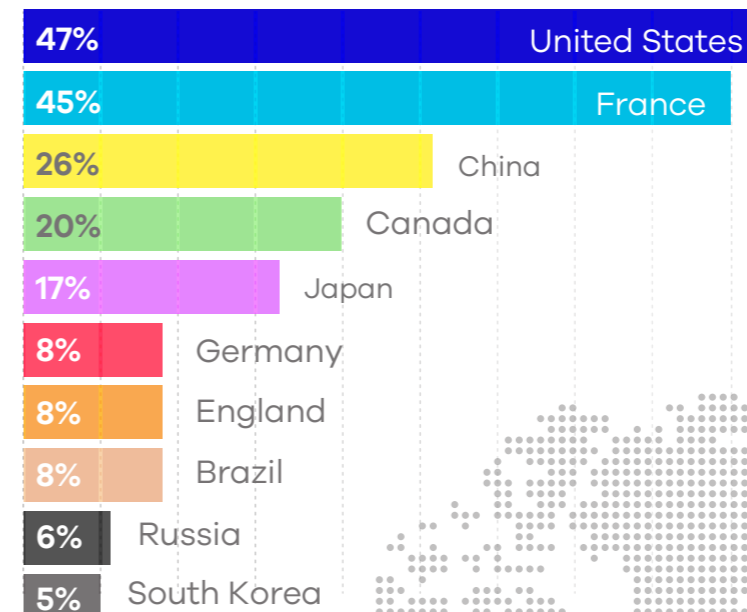


France remains the more attractive option for French studios



83% think that France is an appealing country to grow their businesses
+4,6 points compared to 2019

THE 10 COUNTRIES DEEMED THE MOST APPEALING BY FRENCH COMPANIES



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A product of SNJV

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About SNJV

Created in 2008, following on from the Association of Multimedia Works Producers (APOM), the French Video Game Trade Association (SNJV) represents companies and professionals throughout France's video game industry. It works for the promotion, growth, and competitiveness within the industry, as well as for the appeal of the territory. The SNJV's objective is to enable video game production companies established in France to accelerate their development and sharpen their competitive edge amongst strong international competition.



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