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Insights

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2023 Steam Black Friday Performance Report

“A year of records, despite the slowdown in overall games industry”

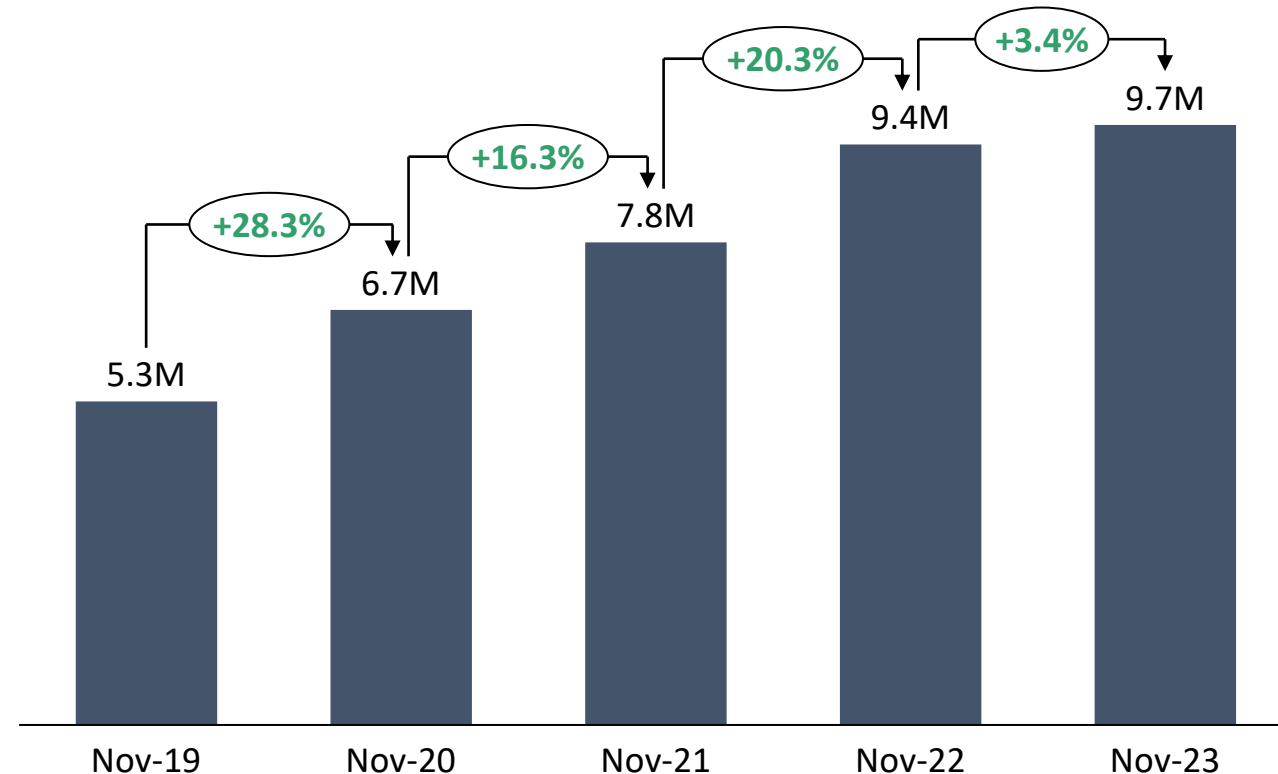
User engagement keeps breaking records on Steam despite the post-lockdown return to non-digital lives

Peak Users In-Game on Steam During November Periods

Record amount of engagement on the platform

- The games industry has been flat or even declining since Covid as players return to normality post-lockdowns and struggle with tighter economic climate
- However, Steam has continued to see engagement increase
- This has largely been driven by:
 - Lack of next-gen console availability driving players to PC
 - More publishers starting to focus and release games on Steam (even Sony!)
 - Continued strength of PC indie developer space
 - PC being the preferred platform in many markets where gaming is still growing fast

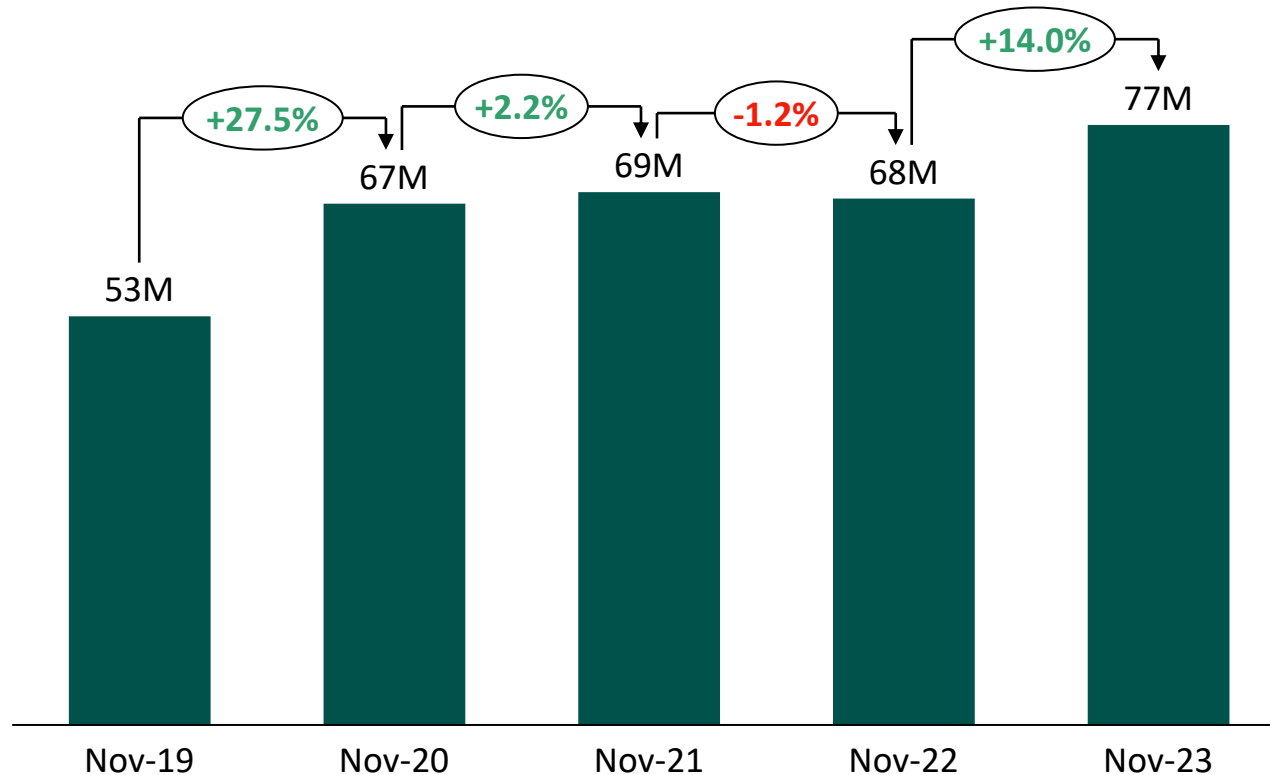
November Peak Active Players In-Game on Steam, by Year, 2019-23 (M Players)



Black Friday sales have been stagnating on Steam in 2021-22; 2023 is the first year of significant growth since Covid

Unit Sales on Steam During Black Friday

November Total Units Sold on Steam, by Year, 2019-23 (M Units)



Record amount of games sold on Steam during Black Friday

- November 2023 was the biggest Black Friday for Steam in terms of units sold
- Units have been stagnating since Covid as the post-lockdown normalisation and return to nonvirtual lives has reduced new game purchases
- The 2023 boost has largely been driven by great game releases and steeper than usual Black Friday discounts

2023 saw a strong release schedule and deep Black Friday discounts as titles were fighting for attention

Black Friday Steep Discounts

Extraordinarily strong release schedule this year with great Black Friday deals

Games like EA FC have done deeper discounts than ever before during Black Friday



Black Friday Discounts

-40%

-40%

-34%

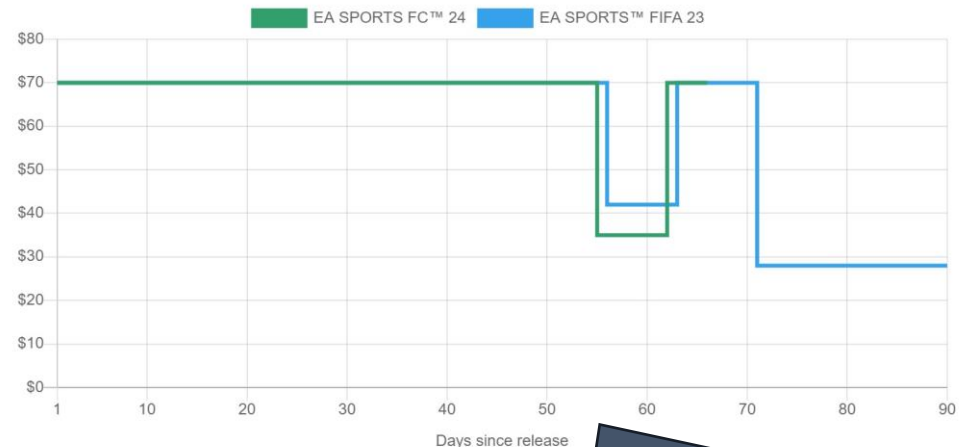
-20%

-0%

Sold an estimated over 1M units over BF despite not being on discount!

Price on Steam

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EA FC was -50% off on all platforms during its first discount since launch

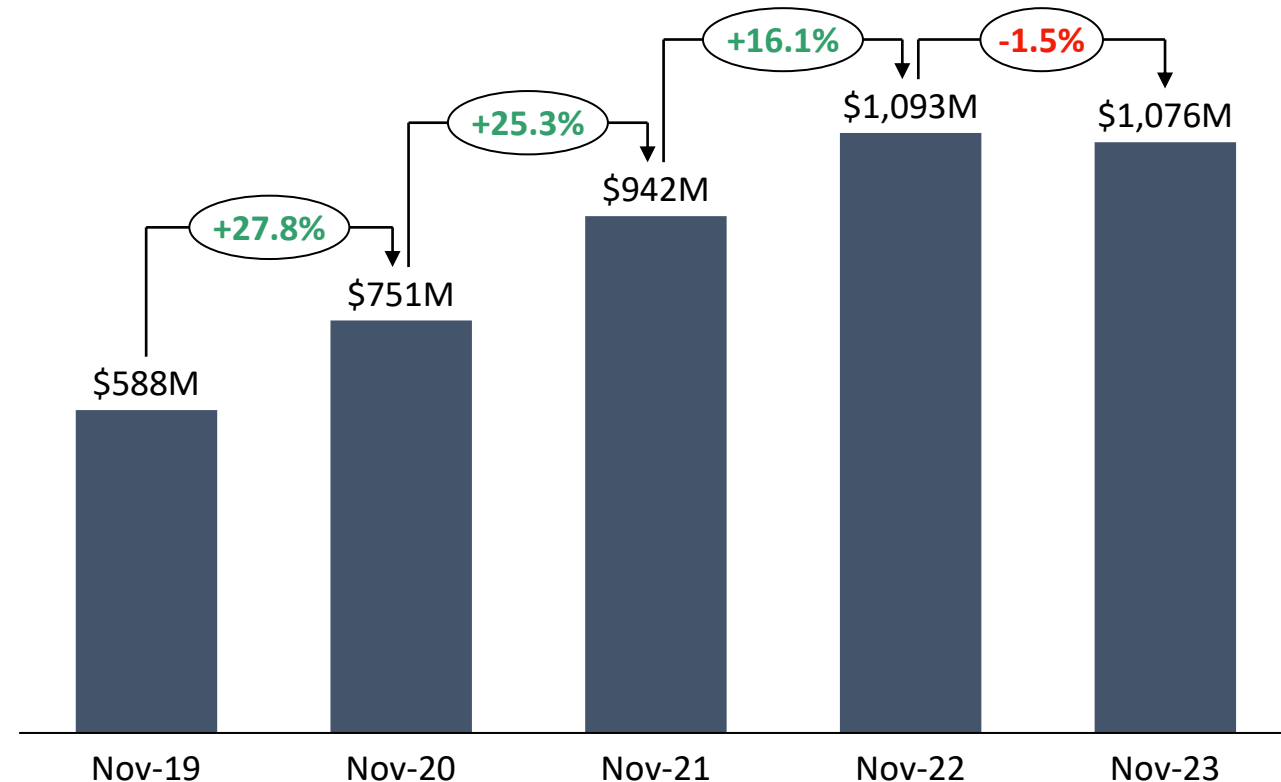
Slightly declining revenue is a sign of fiercer competition among publishers for an increasingly fixed size of the pie

Black Friday Games Revenue

Revenue down YoY despite the increase in units sold

- 2023 November saw -1.5% YoY decline in full game revenue
- This was largely driven by steeper than usual discounts boosting units, but at lower average selling price
- Players' overall lower disposable income this year and higher competition for games due to strong releases has led to a push to the bottom as publishers are fighting for attention

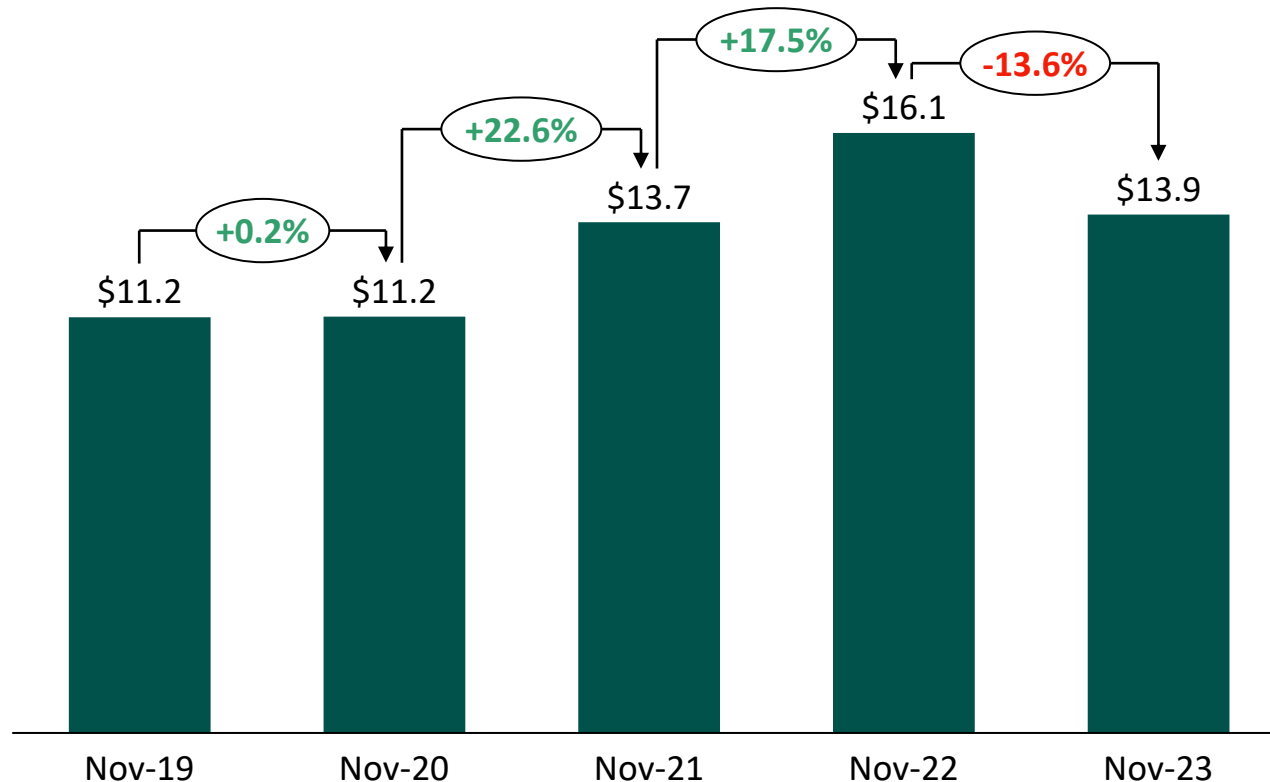
November Full Game Revenues on Steam, by Year, 2019-23 (\$M)



Lower prices despite a slate of strong new releases might be a trend for years to come

A Change in the Black Friday Pricing Trends

November Average Game Price on Steam, by Year, 2019-23 (USD)



Price pressure likely to continue

- In many ways, the 2023 average game price is a return to more “normal” Black Friday prices, with 2022 being the outlier
- However, 2023 also saw many strong new game releases, traditionally meaning smaller discounts as there’s still a bulk of interest towards these games in the early life-cycle
- The largest game launched this year, Baldur’s Gate 3, was the exception and did not go on discount at all during this Black Friday
- Most other releases were already 40% or more discounted less than a year after their release
- This pressure to compete for attention is likely not subsiding in the coming years as subscription deals and competition between publishers puts pressure on pricing

Thank you!

Methodology, Contacts and Other Links

Methodology

<https://vginsights.com/about>

More Market Data

<https://vginsights.com/steam-market-data>

Pricing

<https://vginsights.com/pricing>

Reach out!

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