

A person is sitting on a floral-patterned armchair in a well-lit room with large windows. They are wearing a black leather jacket, black pants, and black boots. They are also wearing a VR headset and holding a controller, appearing to be engaged in a virtual reality game. The room has a wooden side table next to the chair and a green rug on the floor.

**Game Changer:
Tectonic Shifts within
the Gaming Industry**

In July 2019, 16-year-old American Kyle Giersdorf bagged US\$3 million in prize money, after winning the solo finals event of the Fortnite World Cup 2019. Hosted by Epic Games (the developer of Fortnite – a massively popular online survival game first launched in 2017), the Fortnite World Cup 2019 was an Esports event that had a total prize pool of US\$30 million available across various competitions. The solo finals, held at the Arthur Ashe Stadium in New York, USA, saw 100 of the world’s best gamers of Fortnite – with an average age of 16 and representing 30 countries – battle it out for the top spot, in front of 16,000 attendees, and millions more streaming the event online.



Over the past few years, the gap in prize money between traditional athletic sports events and Esports events has been diminishing rapidly

To put this in contrast, the same Arthur Ashe Stadium had also hosted the US Open Tennis Championship not too long ago in September 2018. The singles title champion’s purse? US\$3.8 million. A fraction above teenager Kyle’s winnings from the Fortnite World Cup.



Investors find the emergence of the Esports industry truly promising, and are ready to tap into its revenue generation potential

Over the past few years, the gap in prize money between traditional athletic sports events and Esports events has been diminishing rapidly. The prize money on offer at any competitive event, in effect, is an indicator of the event’s popularity, viewership, advertising revenues & attractiveness to investors. It can be inferred, then, that investors find the emergence of the Esports industry truly promising, and are ready to tap into its revenue generation potential. The mercurial rise of the Esports industry in particular, and the video gaming industry in general, can be attributed to a multitude of factors. Let us look at some of these in some more detail.

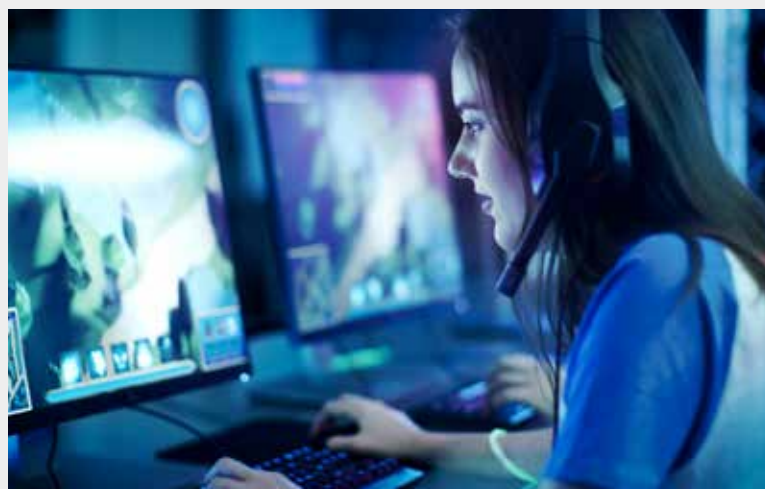
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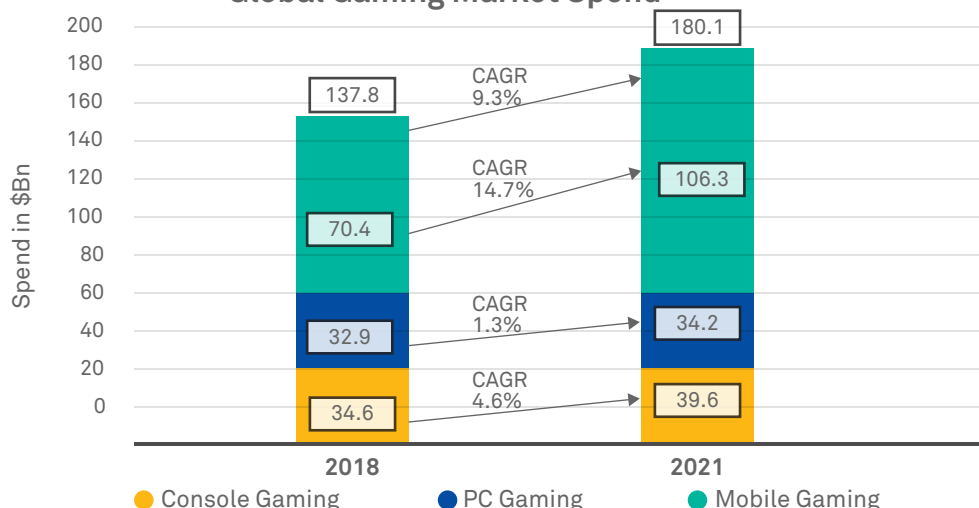
Rise of Mobile Gaming & Cross-Platform Gaming

With mobile device manufacturers packing in While traditional gaming segments such as console gaming (\$35 Bn in ‘18) & PC gaming (\$33 Bn in ‘18) have grown at 2-4% YoY, the mobile gaming segment (\$70 Bn in ‘18) will continue to provide future growth with 27% CAGR between 2012-21. In 2018, smartphones accounted for 80% of mobile gaming spend (\$56.4Bn), while tablets accounted for the remaining 20% (\$13.9Bn).more punch in the form of memory & processing power with every new device release, hardware & software limitations to gameplay are now just a thing of the past. Through cross-platform gaming, gamers now have the ability to move game progress and in-game items seamlessly from mobile to console to PC. Enabling the idea “I don’t need the platform my friends have to play with them” has revolutionized the gaming industry by taking gaming to the masses, resulting in over 2.3 Bn gamers worldwide today, and counting.

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Global Gaming Market Spend



Adoption of Immersive Technology – Augmented Reality (AR), Virtual Reality (VR) Gaming

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Augmented Reality (AR) Gaming has taken gaming to the next level, with the ability to superimpose computer-generated images onto screens and add a new dimension of reality to gameplay experience. Game developers are elevating gameplay appeal even further with the addition of Virtual Reality (VR) Gaming, through the use of vision-based recognition algorithms to create sound, video & graphics. With Mixed Reality AR / VR headsets and PCs with the ability to run them getting more affordable, the gaming market is beginning to see a steady stream of more AR / VR enabled games.



Advent of Cloud Gaming

The initial high cost of buying high-end gaming equipment had always been a major deterrent to many gamers, but with recent innovations in cloud computing technology, this is no longer the case. Through Cloud gaming, gamers now have unlimited access to critical computing resources on-demand (storage, processing), thus being able to play high-end games online, even on very low-end consoles. The specs of the gamer's console do not matter anymore – what does matter, however, is the speed & bandwidth of the gamer's broadband connection, & the latency it offers. With rapid advancements to broadband speeds & the advent of 5G technology, Cloud Gaming services are only beginning to realize their true potential within the gaming industry.



Revenue Streams generated from Esports

Cheaper gaming laptops & faster broadband connections have been major catalysts to the proliferation of online gaming. Online gaming, in turn, has been at the root of the success of the Esports industry – which is essentially a multiplayer video game being played by

professional gamers competitively for spectators. According to Newzoo, the global Esports industry had already generated US\$1.1 Bn revenue in 2019 (+26.7% YoY) through sponsorship, media rights, advertising, merchandise, ticket sales & game publisher fees. Given the right pricing model, Esports has the capability to both drive gaming adoption as well as generate sufficient returns for platforms and publishers.

(\$19 Bn). Over the past decade, Wipro has engaged with some of the top gaming powerhouses within these countries & beyond, helping them embrace the rapid technology shifts with game-changing solutions. Through their offerings across Game Asset Development, Slot-Based / Casino Management Systems, Game Validation & Maintenance, Wipro strives to enable its clients address key gaming issues, adopt innovation & consistently deliver GGs (Good Games) for their gaming fraternity.



Game Changer: Wipro Offerings within the Gaming Industry

The countries with largest spends within the global gaming & Esports market in 2018 were United States (\$30 Bn), China (\$38 Bn) & Japan



About the author

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Over the past 5+ years, Sayar has been a part of Wipro's Industrial & Engineering Services group, developing Engineering solutions & offerings cutting across the Media & Telecom industry. In his current role, he is responsible for driving client conversations across Wipro's portfolio of Game Development & Game Engineering solutions. With 2 US patents to his name, Sayar specializes in bridging the gap between business challenges faced by the industry & the technology solutions needed to address them.



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