

WHY TELCOS MUST
**GET IN
THE GAME**
FOR THE RISE OF ESPORTS



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THE TELECOM INDUSTRY IS AT A CROSSROADS



Even though the market for potential customers is still growing, telcos are seeing shrinking margins and stagnating revenue growth.

 Why telcos must get in the game for the rise of esports

WORLDWIDE TELCO SERVICES FORECAST



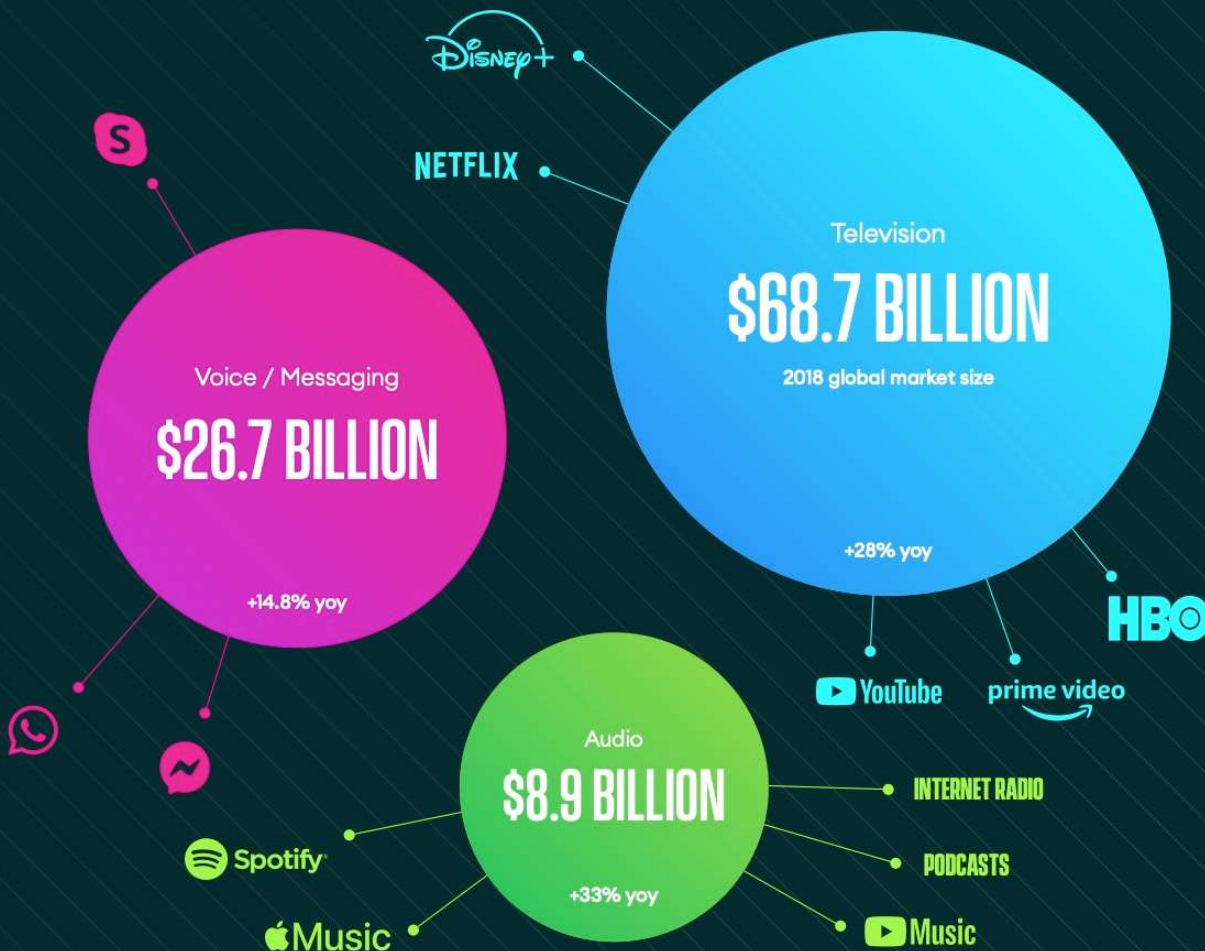
Source: IDC 2018

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THE MAJOR CHALLENGE?



Technology players and streaming services have disrupted the market by offering software that cuts into traditional telco revenue streams:



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Source: Digital TV Research, IDATE, Statista

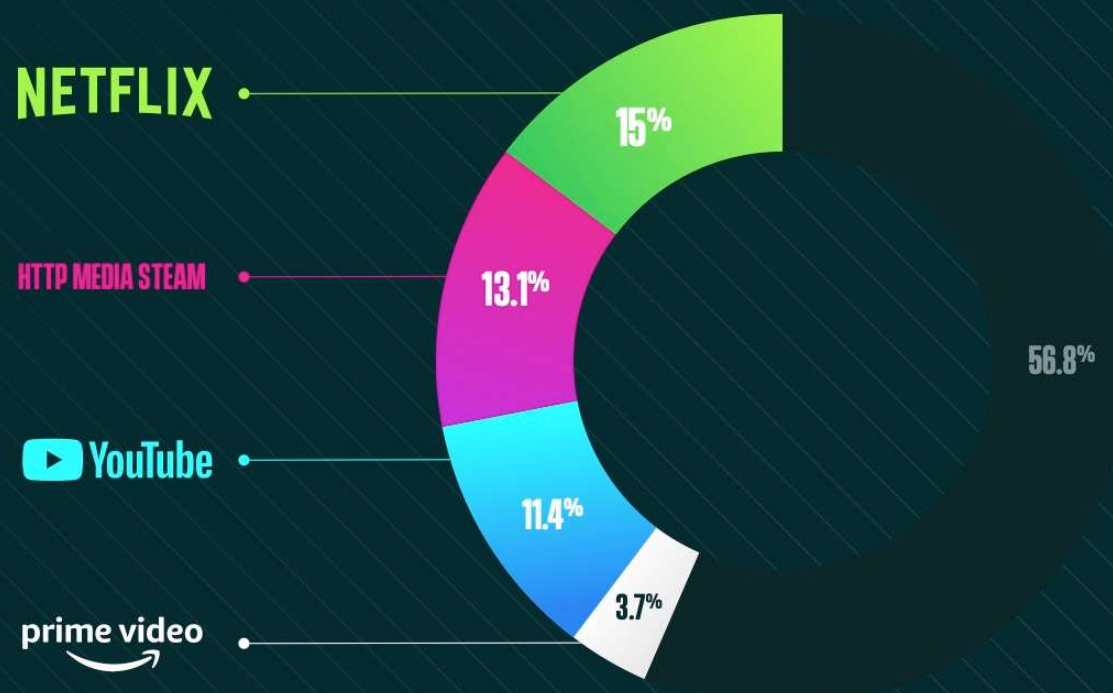
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INTERNET TRAFFIC SHARE



Although telecoms built the expensive and complex infrastructure that enables streaming, it's the technology companies that are leveraging and monetizing the network.

GLOBAL INTERNET TRAFFIC, BY APPLICATION (2018)



Although telcos arguably missed the chance to fully capitalize on streaming in video, voice, and messaging, there is now an emerging segment that could fill the gap.

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Source: Global Internet Phenomena Report 2018

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ESPORTS IS ONE THRIVING SEGMENT OF THE

\$139 BILLION

GAMING INDUSTRY THAT CAN PROVIDE TELCOS A
MUCH-NEEDED GROWTH AREA TO BETTER
MONETIZE THEIR INFRASTRUCTURE

THE ESPORTS BOOM

In recent years, the growth in professional gaming has been explosive.
Already worth over **\$1 billion**, the market is projected by experts to triple by 2025:

ESPORTS SNAPSHOT

What is esports?



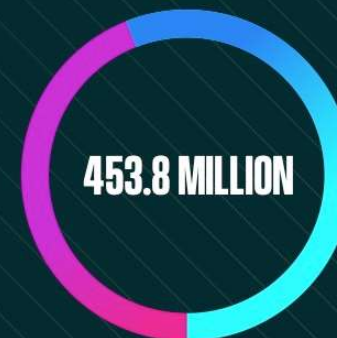
A form of sport competition
using multiplayer video games

2019 Revenue



+26.7% yoy

2019 Global Audience



252.6 million occasional viewers
252.6 million esports enthusiasts

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Source: Newzoo

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ESPORTS IS REGULARLY PACKING STADIUMS WITH AVID FANS, SPAWNING NEW PROFESSIONAL TEAMS, AND SELLING MASSIVE SPONSORSHIP DEALS

»» This boom in esports, and in online multiplayer gaming in general, has created a commercial audience of digital natives that is both young and affluent.

It's a growing segment that sees gaming as a lifestyle, and they see professional esports gamers and personalities as their heroes.

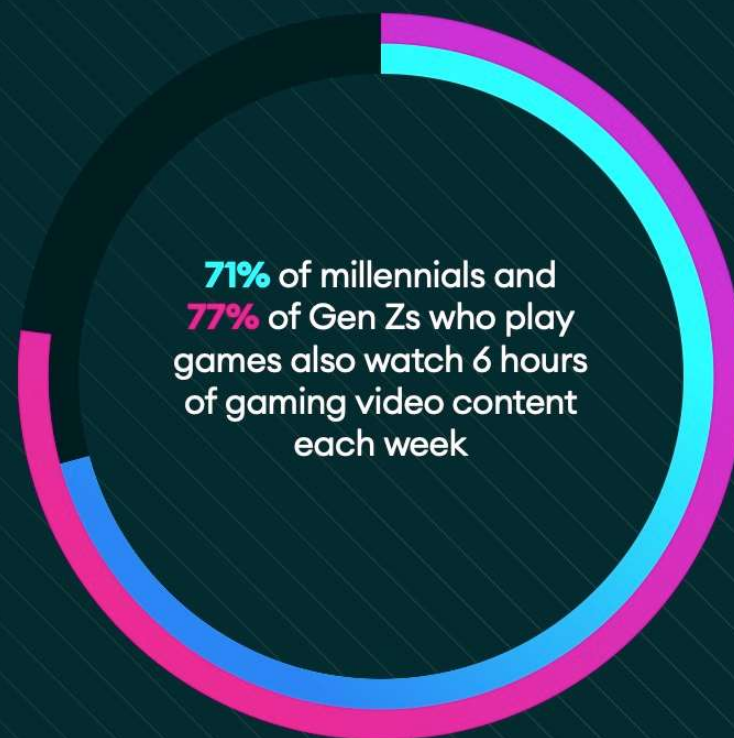
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THE GAMING LIFESTYLE



On average, millennials in North America spend **US\$111.54** on games every month:



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Nielson (Millennials on Millennials: Gaming Media Consumption report)

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**“MILLENNIALS ARE SET TO BECOME THE FIRST
GENERATION OF LIFELONG GAMERS”**

- NIELSON

**BUT HOW CAN TELCOS TAP INTO NASCENT MARKET, AND WHAT
CAN THEY UNIQUELY OFFER THIS SEGMENT AT SCALE?**

THE NEED FOR SPEED



Any multiplayer gamer will tell you that there is one surefire way to ruin the gaming experience: high latencies (or as they call it, “lag”).

This is an area telecoms are uniquely positioned to help with, especially with the advent of edge computing technology and 5G.



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WHAT IS EDGE COMPUTING?

CLOUD COMPUTING

Data travels over long distances,
so speed is limited



EDGE COMPUTING

Nearby devices process data in real-time,
allowing lightning speed connections



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HARNESS THE POWER



When it comes to online gaming, a sophisticated edge computing system will be able to detect where each player is located, while creating a server in an optimal location that provides all the players with the same high bandwidth, low latency experience.

By leveraging technology that enables edge computing at scale, forward-looking telcos can take gamers to where they want to go - and with plenty of value-adds.

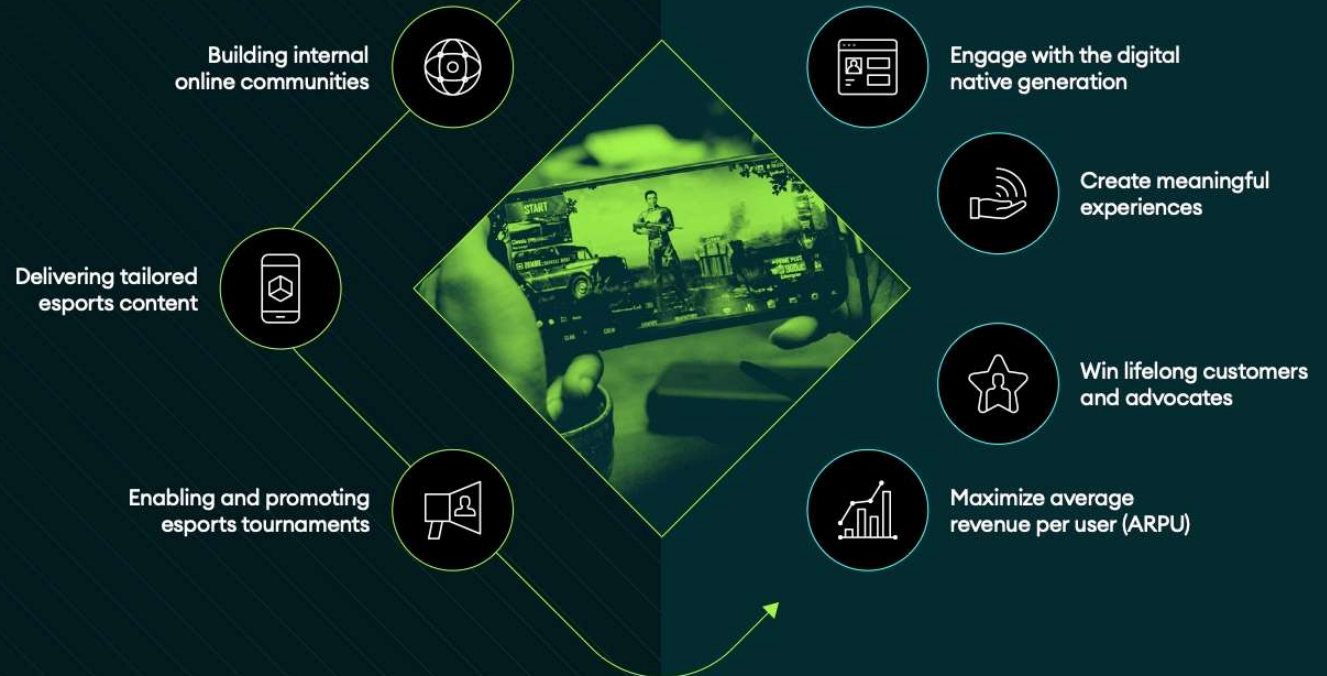
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LIVING ON THE EDGE

To compete against growing outside threats like Netflix and Google, telcos must make bold investments in enabling technologies that bring edge computing to their customers at scale.

Beyond acting as the gatekeeper to lightning fast connections, telcos can take advantage of esports and gaming in other ways as well:



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FOR MANY OF THE 2.5 BILLION GAMERS IN THE WORLD,
THERE IS LITTLE REASON TO BE LOYAL TO A TELCO

UNTIL NOW



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GLITCH



GAMESGUIDZ

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