



Three things that will make an impact on Gaming, on the road to 2010

As a senior analyst with In-Stat/MDR, Eric Mantion, once said that online gaming is a real industry, which will make real money. He also claimed that there are a lot of companies which are working very hard to grow this industry quickly which will help to move along things faster than many of us expect.

The gaming market is poised to become a big business opportunity, attracting investors and entrepreneurs alike. A company in the business of gaming reaches virtually all demographic segments including kids, teens, working executives, both male and female and even senior audiences. Online games are among the stickiest and most sought-after content today, with game sites featuring in the top Internet site rankings globally.

The three major factors which will impact gaming in the coming years will be access, content and PC Penetration.

ACCESS – BROADBAND and CYBERCAFES

According to a report by 'Internet and Mobile Association of India', it is estimated that broadband connections will over take dial-ups in 2008-09 and by 2009-10, broadband will lead with 75% share of the market. As bandwidth constraints are released and last mile connectivity issues are resolved, broadband growth will see an upturn. The falling price of broadband has made it more affordable for people who had to settle with a Dial-up connection earlier.

Broadband and online gaming share a symbiotic relationship. Content acts as a key driver for better connectivity and faster Internet connectivity, in turn, fuels the generation of the content. High-speed Internet technologies are showing signs of taking off across the whole world and carry much potential for both developed and developing markets.

Gaming is all about communities. They are double the fun if you play it with your friends and are able to scream at the top of your voice while defending your friend's online avatar from enemies on a LAN (Local Area Network). Cyber cafes are fast turning into gaming zones for youth who gather in twos or more to play games.

The experience of playing games in cyber cafes will only get better with organized chains getting in the best of hardware, ambience and technology. A high number of PCs at these cafes will also ensure that everyone gets to play for as long as they want.

Cyber cafes are the most prominent access points in spite of increasing prominence of home access. According to an I Cube Report, 2006, Almost 62% of the active Internet users in the top 26 cities access Internet from cyber cafés and 39% access Internet mainly from cyber cafés (I Cube 2006).

As per an 'Internet and Mobile Association of India' report, if the factor conditions remain positive, online gaming in India will contribute as much as 75% of the total revenue at a typical café. In Korea, there is over 90% broadband penetration, but 50% of online gaming in the country is from Cyber cafes.

PC PENETRATION

The number of PC literates and owners has been on the rise. According to a recent study conducted by the leading research firms - IDC and Forrester - one out of every 50 Indians has access to a personal computer (PC) with 22 million units installed in the country by the end of March '07. This number has showed 20% growth from the same time last year and has more than doubled from the 9.5 million PCs in 2003 with a boom in the Indian economy.

What India needs is not just an increase in the number of PCs, but an increase in PCs with the right specs for gaming. The ideal specs for a gaming PC will comprise of a high-end

graphics card, faster processor and a high Random Access Memory (RAM).

Globally, there will be more than two billion PCs in use by 2015 driven by a growing technology-aware population as well as falling prices. The four emerging markets, Brazil, Russia, India, and China, would account for more than 775 million new PCs by 2015.

The research results also states India to be the fastest growing PC market in the world by 2015 when two out of seven people in the world are expected to have a PC. In India, 55 per cent of PC literates have experienced the Internet. Thus, as the percentage of people, who are PC aware, increases, the number of people utilizing the Internet will increase in a similar ratio.

CONTENT

Content is a key driver for the success of Online gaming in any country. What makes a game a hit among the players is the gameplay, the player's experiences during his interface with the game.

The games should carry a price tag that will suit Indian pockets. India is a very price sensitive market. So, unless a gamer earns his living just to support his passion for games, he will not shell out an outrageous amount of money to buy it. Nominal pricing for downloadable games or to rent a game will popularize online games.

Game development, till today, was not considered as a serious career option by students. This is because there was not enough initiative being taken by the Indian companies in that field and also because of lack of proper training. However, with many companies taking note of the increasing popularity of this industry, this outlook is about to change for the better.

Estimates state that India is today where China was 5 years back in terms of Digital Entertainment and the gap seems to be fast closing in. There are 160 million mobile phone subscribers as against 450 million in China. The number of Internet users in India is 40 million, while in China, the figure has touched 137 million. Even PC penetration, Broadband users and Internet Users indicate that we are going the China way when it comes to adoption of Digital Mediums.

Online gaming has not yet taken off in India because no existing player has provided compelling content, which will entice the end user to subscribe and subsequently create online communities. The content needs to be relevant, of high quality, affordable (Indian-pricing) and localized.

India has a Gaming mindset, which is waiting to explode. With the fact that 54 per cent of the Indian population is below the age group of 25 years and having the world's largest youth population - India's only getting younger. Entertainment features as one of the predominant spending areas amongst the Indian consumers. Internet usage has seen an upward swing in the last few years and the way ahead looks more promising.

It's estimated that by 2010 there will be 20 million Broadband subscribers (up from 1 Mn today) and 200 million Internet users (up from 50 Mn today). The gaming market in India is expected to grow to USD 200 million by 2009.

Online gaming is not child's play and any player in this industry who considers it to be that is doomed from the word 'Go'. An entry in this sphere needs detailed planning and investment to make sure that a positive contribution is made to make sure that the projected figures mentioned above are met and who knows, maybe even surpassed. Online gaming is a revolution and we need revolutionaries who will give the Indian online gaming Industry the push needed to make a mark globally.



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