

ABI: Cloud Gaming Set to Spread

Written by Frederick Douglas
20 November 2019

The cloud gaming market is to ramp up in concert with the expansion of 5G and the arrival of new services, ABI Research says, bringing growth from both existing and new gamers moving to service fees instead of up front hardware costs.



The analyst predicts active cloud gaming users will total over 42 million by 2024, with overall market revenues growing to \$4.5 billion at a CAGR of 61.7% for the 2018-2024 forecast period. However the cloud gaming market still represents a "relatively small" segment of the overall gaming landscape throughout the forecast.

"Google Stadia has brought a great deal of attention to cloud gaming, but the market has a deeper history and already has a growing list of companies operating in the space, serving both consumers and business customers, including telcos and pay-TV operators," the analyst says. "While technical and behavioral aspects of the market are in a much better place today, the greatest competitive hurdle remains the incumbent gaming platforms, which will lead to a more protracted transition to the cloud."

Currently the market has "several million" cloud gaming users spread across services including a more curated approach (such as Blacknut, Hatch and PlayStation Now) or a virtualised PC experience (Blade Shadow, Nvidia GeForce Now). The total also includes B2B platforms targeting operators and other businesses within markets such as hospitality and transportation (Gamestream, PlayGiga, Ubitus, Wiztivi). 5G should serve as a driver for cloud gaming, as it stands as a key contender to showcase the selling points of the technology, including higher data rates and ultra-low latency.

ABI: Cloud Gaming Set to Spread

Written by Frederick Douglas
20 November 2019

That said, while the future of gaming rests in the cloud, it remains a longer-term vision. After all, new consoles are to hit the market come 2020, and plenty of business and content consideration need to be worked out before the cloud becomes the primary gaming platform of gamers across the world. Either way, the next few years should make for an interesting time in the gaming market, ABI concludes.

Go [ABI Research Cloud Gaming Application Analysis Report](#)