

# Cloud gaming could be 50% of 5G data traffic by 2022

12 April 2019 | Jason McGee-Abe



Operators believe that cloud gaming could represent 25% to 50% of 5G data traffic by 2022, based on the rapid progression of cloud gaming services in recent months.

That was one of the major findings from Openwave Mobility's Mobile Video Industry Council (MOVIC) Livecast online event held yesterday with over 50 operators in attendance, including: Vodafone, Orange, Deutsche Telekom, Verizon, AT&T and Telefónica.

As mobile operators deploy 5G networks, it's vital that they prepare for the disruptive impact that cloud gaming could pose. [Gaming is no longer a niche hobby: every smart phone is a console, meaning that everyone, everywhere can be a gamer. Carriers can reach existing and new customers through mobile gaming.](#)

Gone are the days when Nokia 3310's Snake was a staple game on approximately 350 million mobile phones. Today, there are over 2.3 billion gamers worldwide. Statistics from App Annie, an app data and insights platform, show that there were 194 billion gaming downloads worldwide in 2018. The immersive, interactive online gaming choices are much more advanced today.

Gaming is one the biggest bandwidth-intensive services in the world today and, with the increased adoption of virtual reality (VR) and augmented reality (AR) applications on the horizon, this is only set to grow.

Mobile gaming has become the largest segment of the global games market and capacity requirements are higher than ever. The mobile gaming market itself has grown in revenue by 25% year-on-year, according to Newzoo's 2018 Global Games Market Report. For the first time ever more than half of all gaming revenues come from the mobile segment – \$70 billion of \$125 billion.

5G networks will support cloud game streaming, enabling consumers to play digital games on their handsets without the need to own or install a copy of the game. These subscription-based services will give consumers access to a high-end gaming experience without requiring additional hardware.

“The recent emergence of cloud gaming platforms including Google Stadia, Apple Arcade, Microsoft xCloud and Snap Games has not escaped the attention of the operator community,” said John Giere, president and CEO of Openwave Mobility.

“Over-the-top (OTT) players have ambitious plans to become the ‘Netflix for gaming’, hosting libraries of thousands of instantly accessible games that, ultimately, will consume three to four times the amount of bandwidth on 5G networks, compared to standard definition video traffic. Needless to say this will impact mobile operator data strategies.”

Verizon is testing a “Netflix-style cloud gaming service” and the company believes cloud gaming could be a showcase for 5G broadband both in the home and on the go. Microsoft says it is creating the “Netflix for games”, and is aiming to establish itself as the de facto standard in video game streaming services, and public trials of Project xCloud are set to take place this year.

Giere added: “While 5G network rollouts are still in their infancy, OTTs are already planning augmented, virtual and mixed reality services, in addition to cloud gaming. Combined with the expected continued growth of streaming video, these services will rapidly eat into the additional bandwidth provisions of 5G.”

Deutsche Telekom has built new edge data centres in four German cities solely to encourage 4G and then 5G mobile multi-player gaming. *The facilities in Berlin, Hamburg, Frankfurt and Munich are to reduce latency for multi-player games, Claudia Nemat, the company's head of technology and innovation, recently told Capacity.*