

# CLOUDFLARE WORKERS FOR GAMING

## Market Entry Strategy

### Initial Analysis

#### Video Game Development Industry

What do game developers, publishers, and customers all want?

- Low monetary cost
  - Sellers: Low cost to develop, upkeep
  - Buyers: Low cost to buy, no cost after purchase
- High speed, low latency
  - Multiplayer: Smoothness of gameplay and interaction with other players
- Streaming/E-Sports
  - Streaming games makes money for the streamers, and more exposure to the game
  - E-Sports is currently a booming field, with billions invested annually and has had extreme growth the past half decade

What are some of the higher level shifts in the gaming industry?

- Short term:
  - Increasingly digital copies of games, physical copies of games are giving way to digital downloads on a webstore (e.g. Steam, Epic Games, etc...)
    - Lower barrier of entry for developers to enter the scene - Growth of indie development
- Long term:
  - Cloud gaming, specifically game streaming, where games are run on a remote server and is streamed to a screen, rather than being run on a personal device

#### Cloudflare Workers Strengths

- Robust global server infrastructure initially built for Cloudflare's CDN service
- Fastest response speeds in the cloud computing space
  - Edges out Amazon AWS, crushes Google, Microsoft Azure, IBM

#### Cloudflare Workers Weaknesses

- Infrastructure not set up for continuous live gameplay hosting
- No complementary product to offer in gaming industry
  - E.g. consoles, live streaming platforms

#### Competitors

- Multiplayer game hosting
  - Amazon Gamelift
  - Microsoft Thunderhead

- Game Streaming
  - Google Stadia
  - Microsoft xCloud
  - EA's Project Atlas (Using AWS)

## Strategy

After initial analysis, an important point of alignment between Cloudflare's core competencies and industry needs is high speed and low latency, especially with the rise of online multiplayer and game streaming. The combination of Cloudflare's industry leading speed and low cost will be this product's path to win the market.

From the analysis, it seems like the quickest market opening that Cloudflare can take advantage of is hosting multiplayer servers for games that are not owned by our direct competitors. To accomplish this, our priority for this product must be to ensure that our network can handle a continuous stream of inputs and requests from many users.

To ensure the quality of product both before and after release, it would serve us well to have a utility program to stress test the server while monitoring it's latency to simulate hosting a popular game. Another key part of ensuring the success of the product is to give game developers tools to monitor the server response times for a sense of control and transparency.

Metrics for success early on should not be profitability, but much rather market share, since this product scales incredibly well but requires a hefty infrastructure investment early on. The more developers and publishers that Cloudflare is able to sign on to its service, the better.

There are two prominent risks for failure, one regards the product and the other regards the market. Cloudflare optimizes for speed by spreading out the load onto different servers, but many games require all players to be on the same server to play against each other in some match, so Cloudflare has to ensure the servers are robust enough. Additionally, the gaming market is heavily saturated already, and primary competitors have already dug in their heels into the industry. They may lower prices or use their complementary products in the space to drive customers away early on, which will lead to significant financial costs.