# ESPORTS CAFES IN INDIA



## **ESPORTS CAFES IN INDIA**

THE UNTAPPED POTENTIAL



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## **VACKNOWLEDGEMENT**

A paper can never be prepared by a single person. It demands the help and guardianship of some conversant person actively or passively in its completion.

It is a genuine pleasure to express our deep sense of gratitude to Mr. Vamsi Krishna, Head Consumer Marketing for South Asia at NVIDIA, his timely advice and overwhelming attitude has helped us to very great extent to accomplish this task.

With great pleasure, we would like to thank Mr. Yogesh Nagdev, Mr. Shathananda Bhat, Mr. Naqui Ahmad, Mr. Daniel Mohan, Ms. Sana Saiyyada and the entire team at NVIDIA without their help this paper would not have been completed. Their precious suggestions and constructive guidance has been indispensable in the completion of this paper.

The interaction with the passionate and enthusiastic gamers was essential for the completion of this paper to understand the demands of the industry. We would like to thank, Mr. Ishaan Arya, Mr. Ratul Sathish, Mr. Nitin Rao for all their help and time.

During this work, the constant association with, Mr. Shravanth Reddy (CEO of LXG), Mr. Deepak Thomas (CEO of RIG ESPORTS), Mr. Himanshu Jain (Director of Acro Engineering Company and CEO of ANT ESPORTS) Mr. Subramani Bn ( cafe Brand Manager of Acro Engineering Company) and the members of the gaming industry has been most insightful. Without their help and counsel, which was always generously and unstintingly given, the completion of this would have been immeasurably more difficult.



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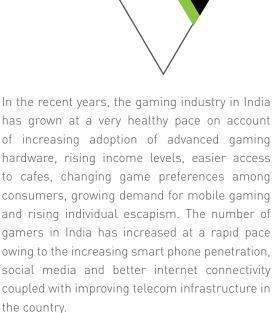
## **PREFACE**

#### **ESPORTS CAFES IN INDIA**

THE UNTAPPED POTENTIAL

The report titled **ESPORTS CAFES IN INDIA- THE UNTAPPED POTENTIAL,** offers a comprehensive assessment of the Indian gaming industry and the scope of eSports cafes in an emerging country like India. It provides a roadmap for the history and evolution of eSports with an overview of the gaming and entertainment industry in the country and its landscape from the consumer spending standpoint and insights into the demographic of Indian gamers.

Indians love and live sports, be it on the field or off the field. The expansion of this love in the dimensions of PC gaming has surely not gone unnoticed. Video Games have been a popular pastime across the world since the 1970s. Looking at the present-day scenario, the virtual world of gaming has become a worldwide phenomenon, with individuals not only gaming but avidly spectating. This trend has seeped into the Indian market as well.



Our aim here is to focus on the massive potential of eSports cafes in India. The Gaming Industry is a multi-billion dollar industry and rising enterprise with a huge opportunity of growth that happens to be one of the fastest growing sectors of our time.





PC Gaming is thriving, not just across the globe but in India as well. In the last few years the number of PC and Console Gamers has grown by a factor of 10. One of the key reasons why PC Gaming is booming is because the technology keeps evolving at a significantly faster pace with gamers and developers constantly demanding more. From higher resolutions like 4K and beyond to newer technologies like Virtual Reality which are showing immense growth. Now Electronic Sports, popularly known as 'eSports' is currently the fastest growing sport on the planet, an entertainment phenomenon across the world. It is also on course to become the largest spectator sport on the planet; with over 100 million eSports Gamers across the world. The number of people watching eSports on platforms like Facebook, YouTube, Twitch has crossed 600 million worldwide.

> eSports refers to competitive video games across diverse genres, which brings together skilled gamers from around the world to compete, which in turn is viewed from every corner of the globe. Major brands have invested in eSports: Amazon acquired Twitch, a major video live-streaming site used by gaming enthusiasts with a 100 million user base for \$1 Billion USD. eSports has become a high value real estate for advertising with brands outside the technology industry warming up to the idea of promoting their products on eSports platforms thanks to the demographic. It is becoming one of the most competitive, social and commercially viable tech industries on

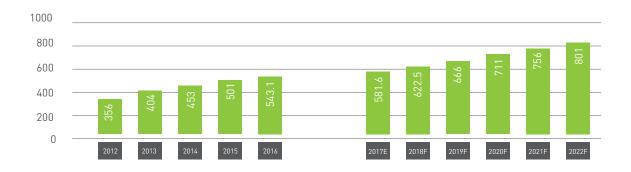
the planet and is now a valid career choice for many. Much like traditional sports, eSports now has registered organizations, teams, players with contracts, sponsorships and more. eSports tournament prize value goes to tens of millions across various games, with an intensely watchful global viewership in hundreds of millions. Its growth can legitimately be described as meteoric.

People playing computer games against each other is not a new thing. Gamers have been doing this for over 30 years. Around the year 2005, computers became cheaper and the internet became faster, which made it much easier for more people to get involved with computer gaming. What started off as small events in halls has now grown to sell out entire stadiums for three day long tournaments. Now, in the 2022 Asian Games, eSports will even be presented as a medal game, with eSports players already being granted athlete visas across the world. ESPN launched a dedicated vertical earlier this year to keep up with eSports - with news and content for the growing audience. According to the NASSCOM report, gaming industry has been growing at almost 30% a year with more than 300 gaming companies in India. KPMG and Google's recently released report titled 'Online gaming in India: Reaching a new pinnacle' revealed that online gamers market in India currently projected 290 million USD at the end of 2016 is estimated to grow into a 1 billion USD market by 2021. As per the report, smart-phone user base currently stands at 290 million which is expected to increase to 470 million users by 2021.

India is in a prime position for this growing craze with over 1.2 billion population and 65% of the population below the age group of 35. From players to those who consume the content around eSports, India is on the verge of a revolution that will stem from eSports cafe and will serve as a hub for local players and fans alike.

# OPPORTUNITY

#### INDIAN GAMING MARKET SIZE, BY VALUE, 2012 - 2022F (USD MILLIONS)



The data given by the CII report "Emerging trends in India Gaming Industry" shows that Indian gaming market size has been consistently increasing and is projected to increase even further in the future.

Over 35 million people are actively talking about PC Gaming or Console Gaming or eSports on Social Media marks the untapped possibilities that exist in India. However today we see there are 15 million gamers who are currently playing on platforms like PC or Consoles.

One of the major reason why the eSports cafes did not take off in India is because of the lack of understanding from the business investors. We believe the three factors that are influencing the growth of gaming in India – Smart Phones, Internet Penetration And Social Media.

Today India has the second largest smart phone user base in the world. Kids as young as 8-14 years have full access to smart phones where they get the gaming experience on smart phones at the very young age. According to KPMG and

Google study "Online Gaming in India -Reaching A New Pinnacle" the consumers who spend more than 18 months on smart phone gaming have 3 times more probability to move to more matured platforms like PCs or Consoles. Considering that there are currently 35 million interested PC gamers and 240 million mobile gamers in India, going by these trends we believe they would be 60 million PC gamers in India by 2020.



Social Media is another reason for the growth. Youth today in India are more connected to the world via popular social platforms like Facebook, Twitter, Instagram, Youtube, etc. With these platforms, they see the technology in a wider scope and get influenced in the consumption patterns. Gaming is the first phenomenon that they learn from Social Media.

The gaming landscape all over the world has been evolving at a rapid rate. Gaming revenues surpassed Hollywood's way back in 2004. Since the year 2014, gaming industry revenue has been more than double than that of Hollywood and the gap is increasing further.

eSports i.e. multi-player video games played competitively for spectators, have tremendous growth in the world. Many major companies have invested in eSports; YouTube as well has started making partnerships for

getting streaming rights for eSports championships. advertisers outside Even technological products have started warming up to the idea of advertising their products at eSports events.

The highest earning YouTuber going by the pseudonym "Pewdiepie" is a gamer and was counted among the "The World's 100 most influential

People" by TIME magazine in 2016. His channel is the most subscribed channel on YouTube with over 15 billion views. In 2016, he earned a pay check of 15 million USD.

The opportunities for gamers are immense. There are many major tournaments which offer decent cash prize for winners as well as runner ups. So much so that "Professional Gamer" has become a defining term for players competing at such events. Indian origin gamers have also made a big impression in these tournaments.

Evidently gaming market has potential to be a massive source of revenue and is currently unexplored. Despite having such high scope of scalability, there are merely 300+ decent eSports Cafes in India for this large community of passionate gamers. Comparing this scenario with China which has 60 million PC gamers with 160,000 eSports Cafes, India is grossly underpenetrated in this segment. It is estimated that the current eSports Cafe business is more than 1.2 billion USD annual potential that is up for grabs.

> The China gaming market is an established eSports Cafe market vis-a-vis the Indian cafe market which is developing. To understand the emerging business prospect that lies in the Indian market, here is a comparison between the two. It is evident that there is a massive gap between India & China when we look at ratio of gamers to cafe. This clearly speaks of the huge potential

for Cafe in India.

Saahil Arora an Indian-American going by player id "UNiVeRsE"

as part of the team called "Evil

Genius" is the highest earning

professional gamer in the

world. His cumulative earnings

from tournament prizes alone

stands at approximately 2.7

Million USD. Gaming has not

only emerged as a profession, it

has also emerged as a new path

to stardom.



FACTORS	CHINA	INDIA
Estimated number of gamers	60 Million	15 Million
Number of eSports gaming Cafes	1,60,000	350
Ratio of gamers to Cafe	400	40,000

Difference between number of gamers per cafe = 39,600

Assuming 10% of the 15 million PC gamers are willing to visit an eSports cafe = 1.5 million

No. of new e-Sports Cafe required in India to bridge the gap between gamers per cafe = 4000

Consider the annual revenue per cafe in India = ₹1,89,68,000\* = ₹1.9 Crores approx.

Overall market potential = 4000 X 1,89,68,000 = ₹7,587 Crores or 1.2 Billion USD\*\*

**ESPORTS** tournaments have already reached the level of traditional sports and have high value prize money and large viewership. The next chart shows a comparison of the prize pool of Wimbledon 2016 and The International (annual Dota2 eSports tournament) 2016. The Dota2 players are earning more than the Wimbledon players, which shows a very promising future for eSports.

THE INTERNATIONAL (TI) is an annual Dota2 eSports tournament. Dota2 is a multi-player online battle arena (MOBA) video game developed and published by Valve Corporation. The final prize pool reached \$20 million, making it the largest prize pool in the history of an eSports tournament.

**WIMBLEDON,** is the oldest tennis tournament in the world, and is widely considered the most prestigious tournament.

<sup>\*</sup>As per our calculations the revenue for a 3000Sq.Ft gaming cafe at 60% occupancy, given in our Financial Plan section.

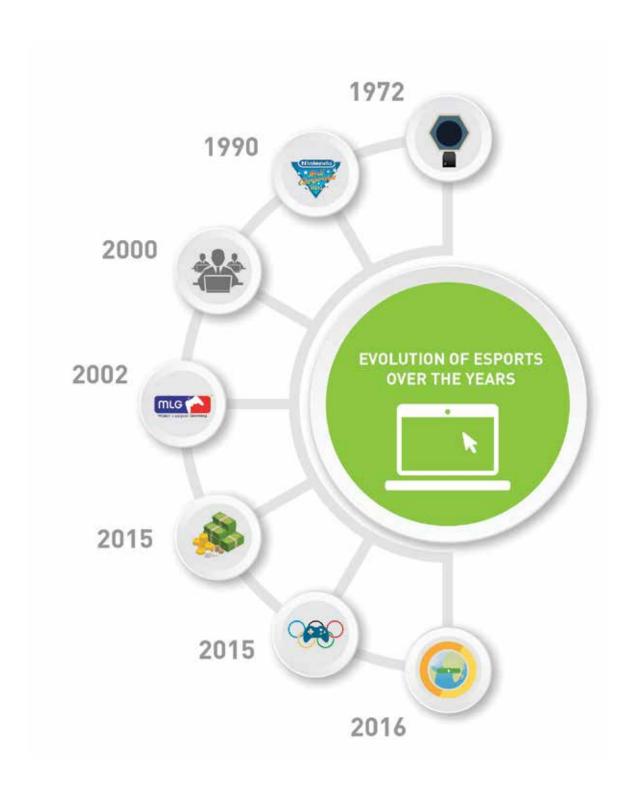
<sup>\*\*</sup>Currency conversion taken at 1 USD = 65 INR

THE INTERNATIONAL			
PLACE	PRIZE MONEY		
1 <sup>st</sup>	\$9.13 Million		
2 <sup>nd</sup>	\$3.42 Million		
3 <sub>rd</sub>	\$2.18 Million		
4 <sup>th</sup>	\$1.45 Million		

WIMBLEDON			
PLACE	PRIZE MONEY		
1 <sup>st</sup>	\$2.75 Million		
2 <sup>nd</sup>	\$1.37 Million		
3rd	\$0.7 Million		
4 <sup>th</sup>	\$0.3 Million		



## **EVOLUTION OF ESPORTS**OVER THE YEARS



### 1970-2000: THE FIRST TOURNAMENTS AND THE RISE OF THE PC

Competitive gaming has existed almost from the times the video games themselves existed. Even the earliest arcade games inspired some fierce competition. The first video game competition, the Space Invaders Tournament, was held by Atari in 1980. It attracted more than ten thousand participants. This tournament along with various others sowed the seeds of what eventually became eSports.

By the 1990's, tournaments for arcade and console games had become increasingly common, with companies like Nintendo and Blockbuster sponsoring world championships. The 1990s saw the rise of PC gaming, and along with this came the first true eSports competition.

#### 2000-NOW: THE FLOURISHING OF ESPORTS

eSports truly started emerging on its own after the turn of the millennium, with the rise of both popular tournaments and the games that now make up the backbone of the eSports world.

Major League Gaming launched in 2002 and is now the most successful of the eSports leagues, featuring numerous games and offering lavish prize pools. In the second decade of the 21st century, eSports has grown tremendously, incurring a large increase in both viewership and prize money.

A relative newcomer to the eSports world is the MOBA, or Multi-player Online Battle Arena, genre. MOBAs have exploded in popularity, the most popular among these was "League of Legends" (usurped by DOTA2). Released in 2009, some claim it to be the most played video game in the world, with over 30 million players and tournaments that attract thousands of viewers and offer millions in prizes.



## **SCOPE OF ESPORTS**

India, with a population of 1.2 billion being one of the youngest countries of the world with 65% of the population below the age of 35, is poised to become one of the world's leading market with its fastest-growing economy.

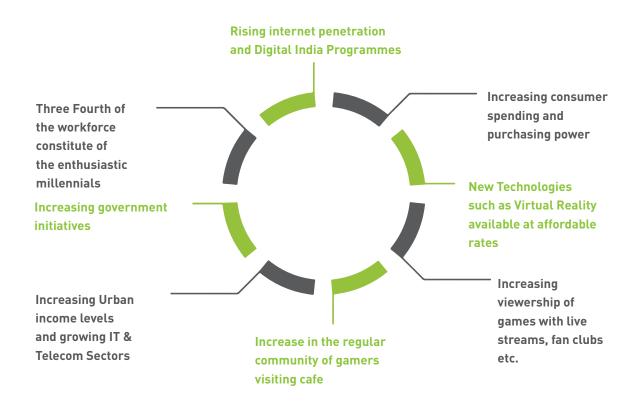
eSports cafes are places where gamers go to play electronic sports, practice matches, participate in tournaments and most importantly have fun and entertainment. These cafes typically have at least 12 high end gaming computers, consoles, virtual reality section, theatre where the gamers can watch other people play sports, other entertainment mediums like pool tables, cafe hangout, foosball and a food & beverage section. There are only about 300+ cafes in India which can be counted as eSports cafe. This segment has a scope for huge growth.

Historically, video games did not gain a foothold in India due to lack of access to gaming consoles

and PCs, and the low social acceptance of this entertainment medium. The scenario is now changing as the Indian gaming industry is at the verge of a major transformation. Economic growth has resulted in a society that is embracing digital content and entertainment like never before, also enabling the explosive growth of smart-phones and affordable internet.

Rapid changes in the gaming industry, are expected to offer new opportunities for developers, publishers as well as technology partners in the future, and this is anticipated to boost growth in India gaming market through 2022.

The current scenario presents a perfect time for entrepreneurs to venture into the gaming business. Reasons being the following:





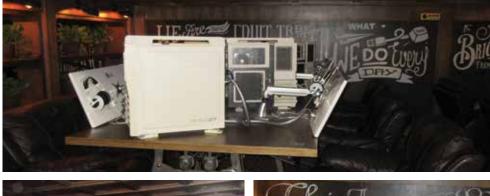






















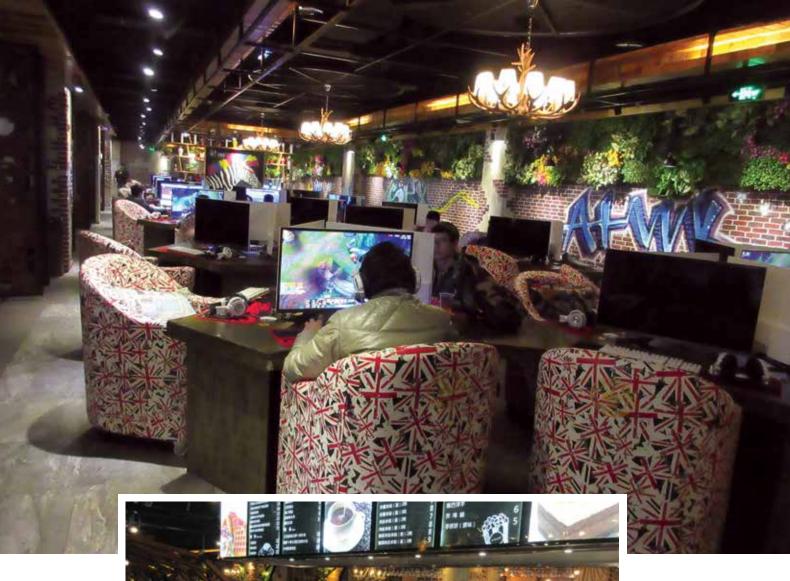
## **V**A+ GAMING CAFE

A+ Gaming Cafe is spread across 12,000 Sq.Ft area and has the highest occupancy. Their pricing is at \$1.5 per hour at their peak time 8pm to 2am.They have an interesting LOFT style interiors and also offer salon services which contributes 10% of their revenue and also attracts premium crowd.





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#### **V** GAME GENRES

It is in the interest of a cafe owner to keep an updated library of game titles at his cafe to cater to the diverse needs of various gamers.

For that, the cafe owner needs to keep himself updated with the latest game releases and develop an understanding of which promising game titles he needs to buy. This article intends to help the owner understand the basic genres of video games.

Video games based upon their genre can be divided into several categories. While most games today combine elements from various genres to create compelling

g a m e p l a y, traditionally the games have been divided into some

specific genres which are still useful to broadly define a game category. The following are a few gaming genres with examples:

ACTION: The action game is the game genre that emphasizes on physical challenges, including hand-eye coordination and reaction-time. These games put the gamers at the center of the gameplay. Within action games there are many sub genres as follows

>> **FIGHTING:** Mortal Kombat, Tekken, Street Fighter

>> **SHOOTERS:** CS-GO, Overwatch, Call of Duty, Battlefield

>> RACING: Forza Horizon 3, Need For Speed

**STRATEGY GAMES:** Strategy games are more tactical in nature and involve multiple facets like resource management, planning, tactics etc. They usually come in one of the following sub genres

>> 4X: Stellaris, Sins of A Solar Empire

>> REAL TIME STRATEGY: Warcraft, StarCraft

>> TURN BASED: Sid Meir's Civilization

#### MULTI-PLAYER ONLINE BATTLE ARENA(MOBA):

MOBA is an evolution of the Real-Time Strategy genre that places gamers in control of a single unit in a team game. The objective is to destroy the enemy team's main structure using the aid of periodically spawned non-controllable AI units. It is a mix of action and Real-Time Strategy. This is one of the most competitive fields in gaming today along with FPS (First Person Shooters) and is the core of the eSports revolution across the world.

>> MOBA: DOTA2, League of Legends

**ACTION ADVENTURE:** An action adventure is a game genre in which the player assumes the role of protagonist in an interactive story driven by exploration and puzzle-solving. These games come with a mix of intense gameplay and exploration taking use of various gameplay elements.

>> ACTION/ADVENTURE GAMES: Legend of Zelda, Uncharted, Tomb Raider, Assassin's Creed

>> STEALTH: Hitman, Dishonored

>> HORROR /SURVIVAL: FEAR, Resident Evil

**ROLE PLAYING:** A role-playing game (sometimes abbreviated to RPG) is a game in which players assume the roles of characters in a fictional setting. Usually in such a game players control a character or team who undertake quests, and may include capabilities that advance using statistical mechanics.

>> TRADITIONAL RPG: The Witcher 3, The Elder Scrolls V: Skyrim, Final Fantasy, Dragon Age.

>> ACTION ROLE PLAYING: Dark Souls, Diablo 3, Nier: Automata.

MASSIVELY MULTIPLAYER ONLINE ROLE-PLAYING GAME (MMORPG): An online RPG that places players on massive servers with hundreds of other players that simultaneously complete independent quests, team up for group activities and more. This type of game has a large social aspect attached to it.

>> MMORPG's: World of Warcraft, Guild Wars 2

**SIMULATION GAMES:** A simulation game attempts to copy various activities to give a close to life experience in a video game.

>> BUSINESS SIMULATION: Zoo Tycoon

>> VEHICLE SIMULATOR: Euro Truck Simulator

>> CITY BUILDING SIMULATOR: SimCity 2000

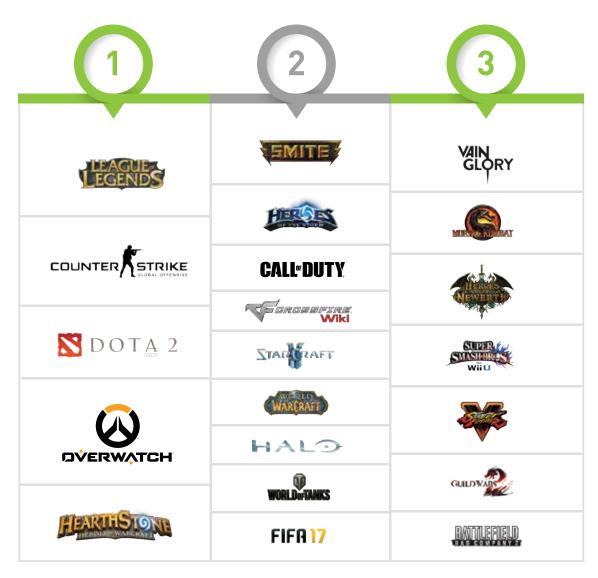
>> **SPORTS:** FIFA, Pro Evolution Soccer, WWE 2K and NBA 2K.

An analysis is done based on data from leagues and tournaments, game publishers, streaming services, game tool providers, industry research reports and more.

The entire genre of eSports is divided into 3 tiers, based on factors like lifespan, stable fan & proplayer base and tournaments.

	REQUIREMENT 1	REQUIREMENT 2	REQUIREMENT 3
	Monthly Active User	Yearly Prize Pool	Monthly Hours Steamed
Tier 1	>8 Million	>5 Million	>20 Million
Tier 2	>1.5 Million	>1 Million	>2 Million
Tier 3	>500 Thousand	>100 Thousand	>200 Thousand

#### **ESPORTS GAMES CHART**



### TYPES OF GAMERS

CASUAL GAMER

ENTHUSIAST GAMER

ESPORTS GAMER

The gaming industry is a fast-emerging industry in India. Companies are now catering to gamers with diverse interest that span across various genres of games as well.

Gamers broadly fall into three categories. We have shared some information on the broad segments which will give an insight into the mindset of a gamer and their requirements, and will help the entrepreneurs to devise their marketing strategies accordingly.

#### **CASUAL GAMER**

The casual gaming market is youth driven with people under the age of 24. This segment of gamers generally frequents the cafe after school hours and spend an average of 1-2 hours a day in the gaming cafe. Their gaming pattern suggests that they are not loyal to a single cafe and would not spend money beyond their game time. These gamers don't have much knowledge about gaming as they do not devote time to research about the gaming techniques and just want to enjoy some big-name AAA games on good quality PC's.

This category of gamers can be easily influenced by offering them various kinds of deals and discounts or happy hours on their playing time keeping in mind the fact that they have less disposable income in hand. Offers like playing for an hour and then get additional 30 minutes free as gaming time are some of the strategies to attract these youngsters to the cafe on a regular basis.





#### **ESPORTS GAMERS**

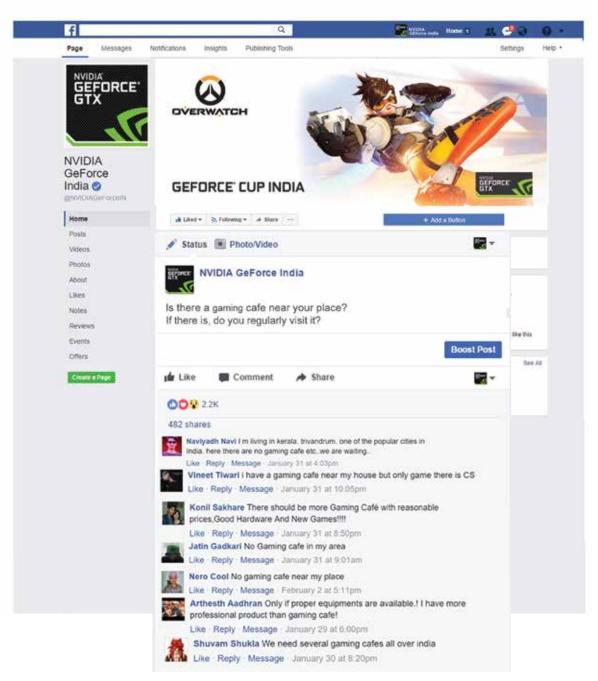
eSports gamers belong to the 18-24 age group. They are the most dedicated and engaged segment of gamers in the gaming community spending an average of 3-5 hours a day in the gaming cafe. They visit the gaming cafes in groups and are keen to meet gamers and stay social than any other segment of gamers. The real challenge with this bracket of gamers is to get more eSports gamers to visit the cafe and influence other gamers.

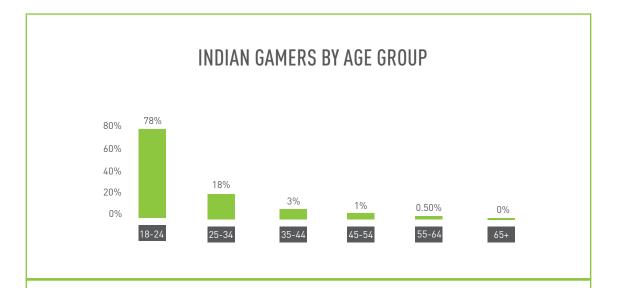
What sets them apart from other types of gamers is the passion they have for gaming and their competitive drive. These social gamers put in hours and hours of practice, dedication and focus to reach a level of expertise. The best way to hold on to these gamers is to have a dedicated segment of PC's for a smooth eSports experience across games like Counter Strike, DOTA 2, League of Legends, Call of Duty and Overwatch. These games require 144hz Monitors and 1ms response times which is the standard for eSports games.

Frequent gaming tournaments is an effective way to get them to visit cafe for longer duration. Building relationships with popular local eSports players will also help keep hold on existing eSports players and attract newer sets as well.

## **VUNDERSTANDING THE GAMERS FROM CAFE PERSPECTIVE**

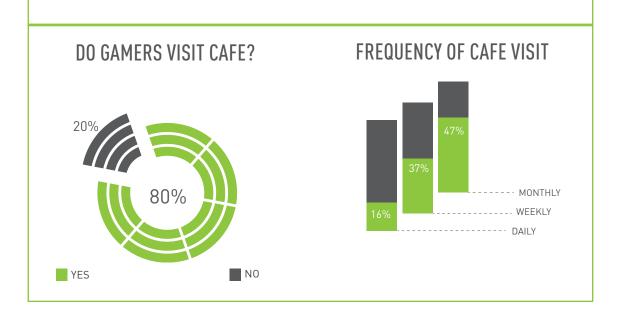
The passion and the liveliness gamers bring to the cafe makes it full of energy and successful. There are more than 15 million gamers in India corresponding to insignificant number of gaming cafes meeting their demands. In this world of digitization, social media is thriving everywhere and there are thousands of gamers who share their views on platforms like Facebook regarding their concern of not having a gaming cafe in their vicinity. Some of the abstracts from their views are the following:



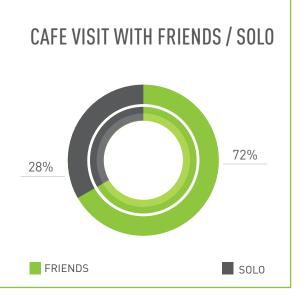


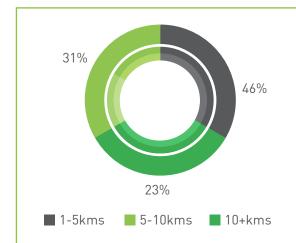
We interviewed 1500+ gamers, through online and offline forums across various cities of India to understand their needs, their opinions of the existing cafes and their expectations from the cafes in general. 78% of the gamers in India lie in the age bracket of 18-24 popularly male dominated.

We interviewed the existing cafe visitors and the general gamers, 8 out of 10 people who give us the feedback are regular cafe visitors. As per our observation, 53% of gamers visit cafes on a regular basis. This draws us to a consensus that once any gamer visits an interesting, engaging cafe, they are most likely to become a daily/weekly visitor.



72% of the gamers visit cafe with their friends, which shows us that gamers are peer influencers and they prefer not to hangout alone. Understanding gamers and their needs to keep them satisfied is essential to leverage word of mouth promotion for the cafe. As the gamers belong primarily to a young demographic they spent long hours at the cafe competing with friends. When gamers come in groups they tend to spend more time and consume food & beverages which adds to the revenue.





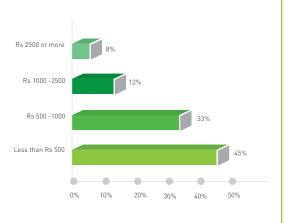
#### DISTANCE - WILLINGNESS TO TRAVEL TO A CAFE

Location is important, we have estimated around 23% of gamers are ready to travel more than 10+ kms if a cafe provides ultimate experience and good value for money. They are willing to overlook the commute for the right experience, offers and loyalty programs.

According to our research we have found that around 20% of the gamers spend more than Rs. 1000 a month.

During our interview with the cafe owners, we got to know that 1-2% of the gamers spend more than Rs.20000-25000 in a cafe monthly. It is important to identify these power customers and cater to their needs as they form a large portion of the cafe's revenue and are in a position to influence friends and bring in new gamers.

## MONTHLY EXPENDITURE AT GAMING CAFE



## TO UNDERSTAND CERTAIN INSIGHTS OF THE GAMERS, WE ASKED THEM FURTHER QUESTIONS AS TO WHY THEY VISIT GAMING CAFES.

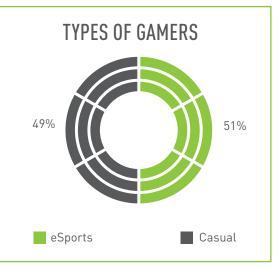
To Game



Gamers are mainly in the age bracket of 18-24 years. Due to the huge fraction of time available to them, they choose to pass time in gaming cafes along with friends. Therefore, a cafe should provide the best experience of gaming as well as certain services for them to hang out with a lounge area with pool/foosball or to just watch eSports matches.

51% of gamers play eSports. Almost all existing cafes in India cater only to these gamers. However, there are 49% of casual gamers who prefer to play AAA gamers. This is one major opportunity cafe owners can start addressing to grow their revenue.

This is a potential not being tapped by existing cafes.



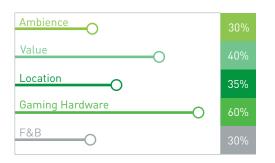
#### OTHER ENTERTAINMENT OPTIONS



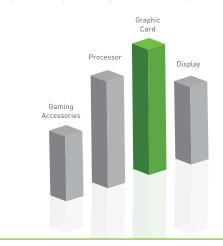
Gamers want to stretch themselves after long duration of playing games continuously so adding other entertainment options to them is always a plus point. During peak hours when the cafe is full, gamers can also be engaged in other games. Our research revealed that around 60% of the gamers are willing to play other games like pool and foosball while waiting or taking a break.

The first and the foremost thing which is important to the gamer is the hardware that the cafe offers. Even though pricing is important, a good PC configuration is a gamer's first concern. Gaming is all about experience and visual fidelity, so having a good hardware will attract more gamers. Other factors like location, ambience, food & beverages are also important to complete the experience, but the core remains a smooth gaming experience.

#### ORDER OF PRIORITY IN A GAMING CAFE





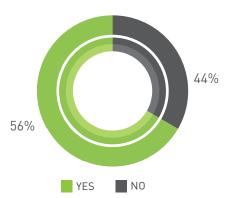


Among the graphics card, processor, display of, gaming accessories, a gamer values the graphic card the most. So, selecting a good graphic card is important to attract gamers in the cafe. Currently the most popular GPUs that gamers prefer are NVIDIA GeForce GTX 1060, 1070, 1080/1080Ti

# GAMERS HAVE A LOT OF EXPECTATION FROM A CAFE, SO WE ASKED THEM IF THEY WHERE WILLING TO PAY PREMIUM FOR SOME EXTRA SERVICES

Premium games like GTA5, Metal Gear Solid V, Ghost Recon Wildlands, For Honor, Tekken etc. are the rage. There are typically 2-3 big game launches every three months. 56% of gamers are willing to pay a premium for these newly released titles. The revenue generated from the premium games will help the cafe owner in recovering the investment in getting the new games.

#### WILLINGNESS TO PAY PREMIUM FOR NEWLY RELEASED GAMES





WHAT AMOUNT IS A GAMER WILLING TO PAY PER HOUR FOR THE FOLLOWING GAMING PC CONFIGURATIONS?

It is very important for cafe owners to price the service right. Sometimes they tend to under price or overestimate and ultimately do not earn enough. Gamers look for value and the right experience. Pricing is important and must be value oriented. According to our survey gamers are willing to pay 80% more towards a PC with premium configuration in comparison to a standard PC. We have assessed interest of gamers on the below PC configurations:



#### **ENTRY GAMING PC**

i3/NVIDIA GeForce GTX 1060 18" 75Hz Display Basic Accessories



#### MID-LEVEL PC

i5/NVIDIA GeForce GTX 1070 21" 144Hz Display Gaming Accessories



#### PREMIUM PC

i7/NVIDIA GeForce GTX 1080 28" 144Hz Display Advanced Gaming Accessories

WILLINGNESS TO PAY





# **SIGNIFICANT OF SEATING COMFORT**

Gamers usually sit between 3-5 hours in a single play which eventually makes them restless. Cafes that offer comfortable seating option compared to the one which do not, have a 2 hour difference in average game time. This difference can be a major revenue loss for the cafes who do not understand the ergonomics of sitting.

#### HOW MANY HOURS DOES A GAMER PLAY GIVEN FOLLOWING CHOICES?



Regular Chair 3 hours



Comfortable Chair 4 hours

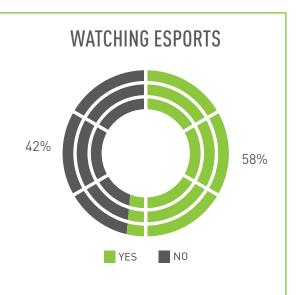


eSports Chair 6 hours

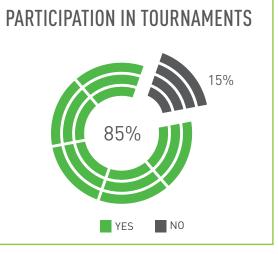
As per our research gamers spend 2x the usual time if offered eSports chairs, as these chairs are custom designed to give comfort for extended time spent gaming. This will increase the average game time of a cafe which results in increase of revenue via game time and food and beverage.

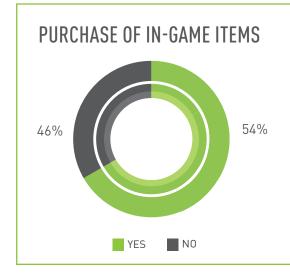
# **BEYOND GAMING**

eSports is an entertainment phenomenon and most of the gamers want to watch eSports matches held locally, nationally as well as globally. If the cafe has a viewing theatre, 58% of the gamers are willing to sit and watch eSports matches, this is a good opportunity to once again capitalize on food & beverages sales. During the peak time a cafe can offer theatre to gamers.



Tournaments are vital, they give an opportunity to generate revenue and get good footfalls in the cafe. They will also break the dullness and give the gamers a competitive feeling. When asked regarding the active participation in tournaments, we saw that 85% of the gamers are willing to participate in local tournaments.

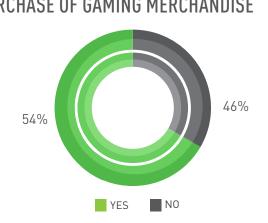




Most of the gamers are in the age group of 15-24 and they do not have access to credit and debit cards. So, the cafes can help them in buying the in-game items by charging a small percentage of premium. 54% of the gamers are willing to purchase the in-game items.



Merchandise are like a style statement for a gamer, showcasing their passion for their favorite game. Selling merchandise, adding a slight premium will give a good revenue opportunity. 54% of the gamers like to own their favorite Game Merchandises like t-shirts, posters, badges, key chains, mugs



#### **ACTIVE AUDIENCE IN TOP CITIES**

#### WE DID A SOCIAL RESEARCH AND LOOKING AT THE NUMBER OF INTERESTED GAMERS. WE FOUND THAT 75% OF THE GAMERS ARE PRESENT IN 20 CITIES.



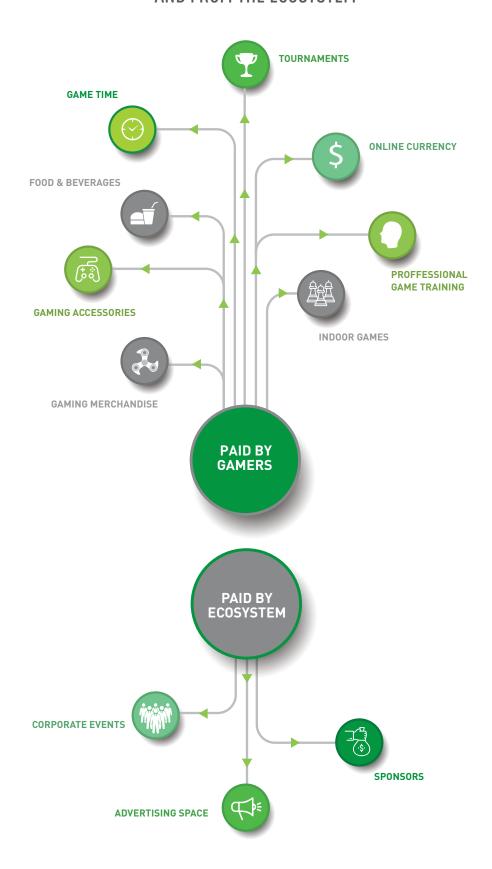
- New Delhi NCR, 14%, 5M
- Bangalore, 8%, 3M
- Mumbai, 8%, 3M
- Hyderabad, 6%, 2M
- Kolkata, 6%, 2M
- Pune, 4%, 1.5M
- Chennai, 3%, 1M
- Ahmedabad, 3%, 1M Ludhiana, 2%, .7M
- Patna. 2%. .7M

- Indore, 2%, .7M
- Lucknow, 2%, .7M
- Surat. 2%. .7M
- Chandigarh, 1%, .4M
- Coimbatore, 1%, .4M
- Bhubaneswar, 1%, .4M
- Bhopal, 1%, .4M
- Nagpur, 1%, .4M
- Kochi, 1%, .4M
- Kanpur, 1%, .4M



# REVENUE MODEL

# REVENUE FOR CAFE CAN COME FROM GAMERS DIRECTLY AND FROM THE ECOSYSTEM



#### **GAME TIME**

Game time is the primary and the most important source of revenue. Game time means the time credited to a gamers account in exchange of the amount paid by the gamer.

#### **FOOD & BEVERAGES**

This is one of the most popular secondary sources of revenue. Gamers come to the cafe for playing games and while on the go, relish themselves with food & beverages adding to more revenue.

#### **GAMING ACCESSORIES**

Selling gaming accessories like gaming mouse, keyboards, headphones, etc. are another source of income. Having brands on board can generate a margin of 5%-8% on the products.

#### **GAMING MERCHANDISE**

There are merchandise like t-shirts, mugs, wallets, posters, badges, key rings etc. which can be put up on display at the gaming cafe. In the last few years the demand for the branded gaming merchandise has only increased with every gamer willing to buy the brand he is associated with.

### ADVERTISING SPACE, CORPORATE EVENTS & SPONSORS

Gamers who are in the age group of 18-24 years are the prime target audience for many brands. This gives an opportunity to sell advertising space in cafe. Many brands do so by sponsoring tournaments.

#### **TOURNAMENTS**

The tournaments and events in the cafe give us a way of interacting with new customer segments, and at the same time can also be a source of revenue with large number of gamers participating in the tournaments. Events can also be done in colleges where we get to interact with more and more gamers.

#### **INDOOR GAMES**

Games like Pool table, Foosball, Dartboard, Chess, etc. can be a source of entertainment apart from gaming which will add up to the revenue. Gamers sit for long hours and may wish to stretch themselves and play some other games.

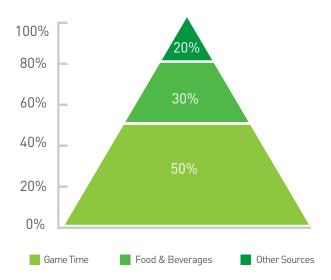
#### **ONLINE CURRENCY/STEAM TOP-UP**

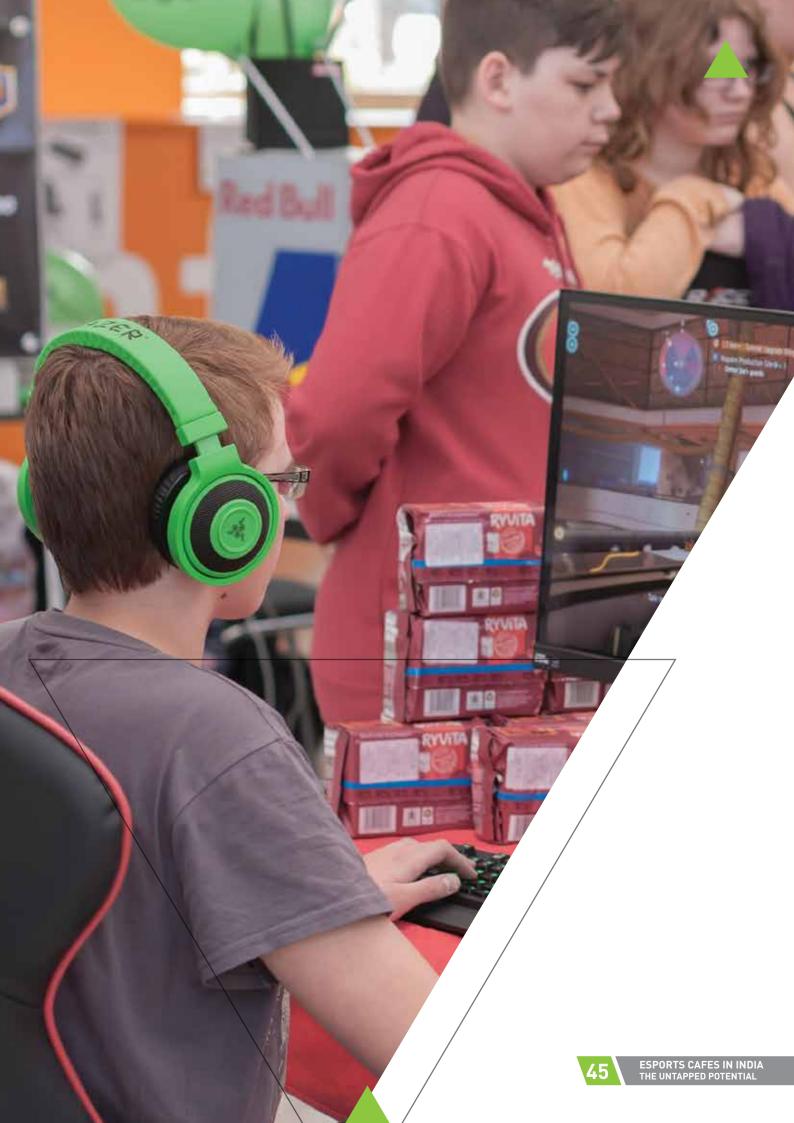
It is a steady source of revenue. As most of the gamers are in the age group of 15-24 they don't usually have a debit/credit card which they require to buy an in-house game item. This is where we can earn revenue by providing them recharge options like steam accounts.

#### **PROFESSIONAL GAME TRAINING**

Providing training for games like DOTA2 will help in the generation of revenue. Providing Professional training will also help the eSports industry to grow in India. It will require partnering with a known expert and conducting a training monthly and charging a fee for the same.

# IDEAL REVENUE MIX OF AN ESPORTS CAFE





# ESPORTS CAFE - GETTING STARTED

# CHOOSING THE BEST LOCATION FOR THE CAFE

For creating the best gaming cafe, the location plays an integral role. It has been a success factor in all the gaming cafe within India. A cafe owner normally ignores the feasibility and focuses on the commercials/rental of the place.

## FACTORS TO CONSIDER BEFORE CHOOSING THE LOCATION.

**NOISE LEVELS -** The growing noise from different sources can become an annoyance to the gamers. Look for the places which have less noise and visit traffic stations to check the noise levels in the preferred area.

**DEMOGRAPHICS -** Before thinking about factors like rent and the feasibility of places, one must check what kind of demographics hang around the area, as our target age group is 15-24 year olds, so the location of the gaming cafe should be near some schools or colleges.

**RENTAL** - Rent is a significant monthly expenditure and therefore financial repercussions should be considered before renting out a place for a cafe. One of the ways to evaluate and plan the rent is by going to different property sites and checking different offers of commercial assets.

**COMPETITORS -** One of the best ways to lookout for an ideal location is to find a place which has a steady stream of visitors. A check on the competitors in the vicinity should be one of the key criterias while finalizing the location for the cafe.

**SOUND PROOF FLOORING -** A gaming cafe is all about entertainment so there is bound to be noise. Hence, sound proofing of the gaming cafe is necessary.

#### PROPER ELECTRICITY INFRASTRUCTURE-

Consider a place for rent where power outages are low and the place should have enough power supply to operate 'X' number of PCs without any concern. For e.g. If there is a 20 PC cafe, then it needs electricity of up to 20 KW.

# FOOD & BEVERAGES IN A GAMING CAFE

When a gamer goes to a gaming cafe, one important factor for him is food. Gamers love to come to a gaming cafe that provides a menu of food and beverages so that they could spend more time there. After a gruelling 3-5 hour gaming session, they feel hungry and want to order food rather than going to other places to eat then come back again to continue gaming.

#### THERE ARE THREE KINDS OF GAMING CAFE'S:

### GAMING CAFE WITH LIMITED VARIATION OF FOOD AND BEVERAGES

There are some gaming cafes which only provide very limited food and beverages options such as snacks like samosa, puffs, chocolate bar, biscuits, candy & and soft beverages, coffee, tea, energy beverage & mineral water.

For gamers who visit this type of cafe, food and beverage are usually not an important factor for them. They are happy with only eating snacks or mineral water. They are more concerned about the connection speed or the pricing per hour or games options that they could play.

Such cafes usually have limited space, so it's not possible to have a kitchen and wide space for gamers to enjoy their meals.

# GAMING CAFE WITH FREE FOOD AND BEVERAGES

This is very rare but these types of cafes exist. This is a strategy by the gaming cafes to attract gamers. If gamers get free food, it will make them happy and will surely ensure they spend more time in the cafe.

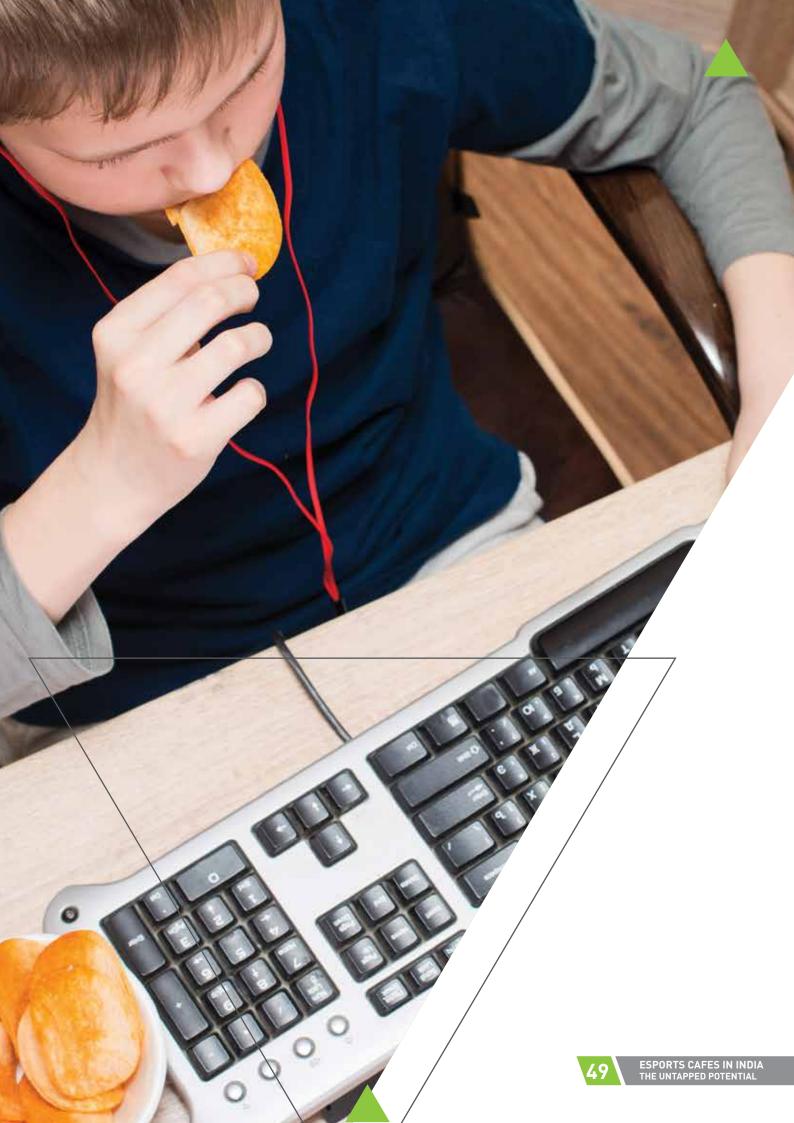
Lets say if you give a free packet of chips to your gamer, he will feel thirsty after a while and most probably will buy a beverage. If you give him a free beverage he will think that it will be good to have it with a pack of peanuts or a chips, so he will probably buy it. You can also create an offer like, buy a certain food item, and get a beverage for free. There are many variations that can be created because food and beverage usually come together in a package.

## GAMING CAFE WITH EXTENSIVE RANGE OF FOOD AND BEVERAGES

Some gaming cafes that we've visited provided a very interesting menu. They not only attract gamers but also could attract other people who have just visited the cafe for food.

This kind of cafe serves an extensive variation of food and beverages. They even have a breakfast, lunch and dinner menu and a cozy place with comfortable sitting options which will make the gamer want to spend more time in the cafe.

Gaming cafe owners must manage the kitchen and staff in a proper way to be able to provide good service along with good food and beverages. Such cafes will have food & beverages as a major source of revenue. They have a nice and cozy environment where you can have good food with variations in the menu.



# TOURNAMENTS AND EVENTS IN THE CAFE

Tournaments are a vital source of revenue generation for cafes and they also provide a great platform for community engagement and retention. The cafes have the benefit of attracting new customers and increasing the footfall during tournaments. The following should be taken care of while a cafe is planning to host a tournament.

#### **GET CUSTOMER INSIGHT**

Strengthen bond with regular customers and ask for their feedback. At the end of the day, they are the ones reviewing the gaming center online and recommending the cafe to other people. See what kind of event they would like to participate in, and if there's a consensus and the idea is feasible, there is a good possibility to have a head start in marketing through word-of-mouth alone. Different cities prefer different games, while games like CS GO and DOTA2 are universally popular, cities like Kolkata have a large Call of Duty community, so an event for COD might appeal to them.

#### **CONSIDER THE BUDGET**

While one might be expecting a return on investment, it's still important to have a budget like any other aspect of your business. Consider starting with a game that wouldn't require many additional purchases like DOTA2 or CS GO, since most gamers will have their own accounts. It's important to know that some companies and publishers are generous with sponsorships. Having sponsors can really help unload some of the financial burdens. These events provide game publishers to engage an existing audience and reach out to new gamers; they also bring in a great opportunity to involve hardware and gaming accessory companies to showcase their products to a new audience.

Make sure your budget includes:

- Prizes (can be a cash prize from the entry fee if you can't get sponsors)
- ► Refreshments
- Extra equipment
- Overtime for employees (if applicable)
- ► Cost to Cafe for amount of time PC's are occupied for event

#### **GET CREATIVE**

Figure out what the purpose of this tournament is. Is it a friendly tournament or a serious team tournament? Consider transforming spare space in the cafe with consoles for relaxed weekend tournaments, or even some activity for gamers while they wait for their turn in the tournament. On the other hand, if there is a lot of local gaming cafe competition it may be best to design a tournament that shows off the cafe's amazing computers and facilities. In this case, try adding a unique element to the tournament that will set it apart from the rest. For example, invite video game-inspired artists or musicians for an after party.

#### PROMOTING THE EVENT

Once all the details are hammered out and there is an organized game plan, consider how to go around promoting the event.

Get the word out on forums, especially have an active account on platforms like Facebook, Twitter, Instagram etc. Social media is a very powerful tool and brands prefer to go big on social media promotions. Target local audiences and leverage employees and regular customers to further reach more people online.

- Create a Facebook event at least a month in advance.
- ► Change the social media profile pictures to a graphic promoting the tournament.
- ▶ Post hourly updates and do Facebook Live on the day of the event.



# **V**KEY PARTNERSHIPS

Partner up with brands to do events in the cafe. For ex.- NVIDIA hosting Gamer Connect events at various cafe, Intel hosting Intel Extreme Gaming and providing the certification of the same, or partnering with Brands like LG, DELL, ASUS, BenQ etc.

Get in touch with the brands to open a retail counter at the gaming cafe, for example partnering with companies to sell gaming peripherals. **eSports** already is a viable marketing channel for big brands to target an extremely valuable and difficult-to-reach demographic — relatively affluent, young males. The problem is many big brands lack a basic understanding of the industry and struggle to engage with the typical eSports sponsorships.

The rise of video games as a spectator sport is unquestionably an exciting trend in our industry. So far, eSports acts as a great marketing tool and an additional way to gain exposure for our brands and expand our audience



# PRICING STRATEGIES

SOME FACTORS THAT MUST BE CONSIDERED WHILE DECIDING THE PRICING STRATEGY.



#### COST

This is the most basic factor, to have an idea of the operational cost and the investment cost of the gaming cafe and come up with a number which has the direct correlation to the costs incurred. The pricing should also be able to cover the variable cost that is incurred daily.

#### THE DEMAND FOR A CAFE

If an area has a higher density of gamers but, they don't have a cafe close to their place, and they have to travel far for gaming then, that area would be ideal to set up a cafe. This calls for a thorough research to pin point the ideal location and one can decide the price based on the location and the demand for the cafe.

#### FINANCIAL CAPACITY OF NEIGHBOURING **AREAS**

If the gaming cafe is in a good locality, which is the prime hub of the city or an upscale neighbourhood, then one can charge an extra buck as the crowd would not mind shelling out extra to enjoy the convenience.

#### COMPETITION

This is another crucial factor while deciding the price factor for the gaming cafe. Some of these factors cannot be changed as they are governed by the law of economics.

Here are some pricing strategies which would be valuable while deciding the price packages. These strategies have been applied the world over and come in handy while running a gaming cafe. There are two types of pricing strategies which a cafe owner can adopt for game time revenue making:

#### >> VARIABLE PRICING

#### >> FLAT PRICING

Either of the above strategies have their pros and cons. We leave choosing the pricing strategy on the owner of the cafe. Below we are discussing both the strategies:

#### Variable Pricing:

Variable pricing refers to the pricing strategy where we have different infrastructure PCs with one category being superior, and we separate them by pricing them at different game time rates.

This strategy has following features:

- Different categories of systems allow us to cater to the needs of different segments, helping us expand our customer base.
- Maximize earnings by charging higher for better services.

#### Flat Pricing:

Flat pricing refers to the pricing strategy where the cafe charges the same price for all the PCs irrespective of their different configuration. During our research, we studied about this unique approach taken by LXG Chennai where variable pricing on two categories of systems was dropped and flat pricing was adopted. Mr. Shravanth Reddy, CEO of LXG talked about the benefits of such a strategy, many details were revealed, which lead us to this understanding of the features of such a system:

- ► The occupancy rate jumped from about 65% to around 95%, positively affecting other sources of income like food and beverages.
- ▶ Overall revenues increased by around 50%.
- ▶ Price sensitive customers who did not go for high-end systems earlier were happier and spent much more time in the cafe when compared to earlier.

#### MODEL-1

Variable pricing of ₹ 80, ₹ 100 and ₹ 120 for three different configurations of PCs. The total revenue\* comes out to be ₹ 67.6 Lakhs per annum for a 50 PC cafe.

GAMING HARDWARE	ENTRY GAMING PC	MID-RANGE PC	PREMIUM PC
Number Of PCs	25	15	10
Occupancy Rate in a day	40%	40%	40%
Cost Per Hour (in ₹ )	80	100	120
Earnings Per Month (in ₹ )	2.4 Lakh	1.8 Lakh	1.4 Lakh
Yearly (in ₹ )	28.8 Lakh	21.6 Lakh	17.2 Lakh
Total Earnings Per Year	67.6 Lakh		

#### MODEL-2

Fixed pricing of  $\stackrel{?}{\stackrel{?}{?}}$  80 for three different configurations of PCs. The total revenue\* comes out to be  $\stackrel{?}{\stackrel{?}{?}}$  100.8 Lakhs per annum for a 50 PC cafe.

GAMING HARDWARE	ENTRY GAMING PC	MID-RANGE PC	PREMIUM PC	
Number Of PCs	25	15	10	
Occupancy Rate in a day	70%	70%	70%	
Cost Per Hour (in ₹ )	80	80	80	
Earnings Per Month (in ₹ )	4.2 Lakh	2.5 Lakh	1.6 Lakh	
Yearly (in ₹ )	50.4 Lakh	30.2 Lakh	20.1 Lakh	
Total Earnings Per Year	100.8 Lakh			

From the two models, we infer that the occupancy rate as well as the revenue has gone up when a cafe adopts fixed pricing strategy rather than having a variable strategy.

<sup>\*</sup>For calculations, financial section can be referred

# **FINANCIAL PLAN**

Financial model/plan of a cafe is very important to the success of a cafe and has a direct effect on its functions. The financial calculations are based on our research on various functioning cafes in the country. In this paper, three different cafes are being discussed: -



\*Such cafes presently do not exist in India

The cafe would require an initial investment outlay which includes the key resources required for starting the cafe.

There would be recurring expenses which are supposed to incur every year for running the cafe smoothly. It consists of both variable and fixed costs. Rent of the cafe, broadband charges, salary of the employees, marketing, housekeeping, hardware maintenance all cover the fixed costs while electricity, taxes, food & beverages requirements cover the variables costs.

The revenue comes from four sources

- ► Game Time
- Food & Beverages
- ▶ Other Sources like sales of Gaming Accessories, Gaming Merchandise, indoor games, Tournaments, Online Currency and Professional Game Training
- Events Sponsors, Live Streaming and Advertising Space

Gaming accessories include keyboards, mouse, headphones etc. Tournaments and events will be held on a regular basis having a scope of attracting new gamers. gaming merchandise have t-shirts, mugs, key chains, badges, posters etc.

Every gamer is unique when it comes to their requirements and expectations. They are very specific about their preferences for hardware, ambience, price, game genres. A gamer who is price sensitive is different from the one looking for best quality.

Hence, if cafe owners seek to serve maximum number of gamers with different needs at the same time, they must make sure that they are providing different categories of services. It means investing in premium grade, mid-range and entry level systems. They need to intelligently invest in different systems and price them accordingly to maximize profits.

#### WE RECOMMEND THE SPLIT OF THE THREE CONFIGURATIONS IN A RATIO OF 50%: 30%: 20%

GAMING HARDWARE	ENTRY GAMING PC (50%)	MID-RANGE PC (30%)	PREMIUM PC (20%)
3000 Sq.Ft - 50 PC	25	15	10
5000 Sq.Ft - 100 PC	50	30	20
10000 Sq.Ft - 150 PC	75	45	30

#### THE FOLLOWING PC CONFIGURATIONS ARE BEING PREFERRED BY GAMERS TODAY

	ENTRY GAMING PC	MID-RANGE GAMING PC	PREMIUM GAMING PC
GPU	NVIDIA GeForce GTX 1060	NVIDIA GeForce GTX 1070	NVIDIA GeForce GTX 1080Ti
Monitor	18" 75Hz	21" 144Hz	28" 144Hz/4K
CPU	i3/Ryzen 3	i5/Ryzen 5	i7/Ryzen 7
CPU Cooler	Stock CPU fan	After market Cooling fans	Liquid Cooling system
RAM	8 GB DDR 4	8 GB DDR4	16GB DDR 4
PSU	500W	600W	700W
SSD	120 GB SSD	250 GB	500GB
HDD	2TB	2TB	2TB
Total Cost (in ₹)	0.75 Lakh- 1 Lakh	1.1 Lakh-1.3Lakh	1.5 Lakh-1.8Lakh
Price per Hour (in ₹)	50-100	100-150	150-200
Purpose Served	<ul> <li>Entice the price sensitive customers.</li> <li>Beat the competition with similar products and better service.</li> </ul>	<ul> <li>Serve the customers who want a better gaming experience than the mainstream PC, but are on a budget.</li> <li>Provide a better experience than prevalent in market.</li> </ul>	<ul> <li>Serve the customers who are quality conscious and less bothered about prices.</li> <li>Provide the best gaming experience possible.</li> </ul>

#### FOR THE CAFE, CERTAIN LICENSES\* ARE REQUIRED: -

LICENSES	DESCRIPTION
GST	GST consists of entertainment tax, service tax, sale of merchandise, sale of food, whichever is applicable
Shop & Establishment	Depends on the number of employees - male/female
Professional Tax	Depends upon the number of partners and directors
Trade License	Consists of food, refreshments, restaurant
PPL (Public Performance License)	Depends upon the size/area of business

<sup>\*</sup>The details of the licenses are explained in the Legal Requirements Section.

#### THESE ARE THE PRICE PER HOUR THAT IS BEING CHARGED IN THE CAFE REVENUE CALCULATIONS

RATES FOR GAMEPLAY	PRICE PER HOUR (IN ₹)
Entry Gaming PC	80
Mid-range Gaming PC	100
Premium PC	120

The calculations are based on assumptions which may vary depending on various cities. We made every attempt to ensure the accuracy and reliability of the information provided in this book. However, the information provided may vary under certain circumstances.





3000 SQUARE FEET CAFE SUGGESTIVE LAYOUT



**SOURCE: COURTESY NVIDIA CAFE INITIATIVE** 

For a 3000 Sq.Ft cafe having 50 PC, the required initial investment would be as follows: hardware, the cafe building and its interiors are the major investments.

PARTICULARS	INVESTMENT AMOUNT (IN ₹)	PERCENTAGE OF INVESTMENT
Hardware	53 Lakhs	53%
Cafe Building Deposit	10 Lakhs Deposit	10%
Interiors	20 Lakhs	20%
Licenses	1 Lakh	1%
Game Titles and Software Installment Charge	6 Lakhs	6%
AC and Electricity Charges 10TR (2)	8 Lakhs	7%
Kitchen requirements	1.25 Lakhs	1%
Indoor Games	1.25 Lakhs	1%
Miscellaneous	1.5 Lakhs	1%
Total	102 Lakhs	100%

Hardware investment is based on the ratio of the different configuration of PCs as discussed in the previous section.

The below Interior breakup is done based on information collected from some service providers.

INTERIORS	AMOUNT (IN ₹)
Carpentry work	10 Lakhs
False Ceiling	3 Lakhs
Lighting & Electric Work	2.6 Lakhs
Painting	1 Lakh
Food & Beverages Section	1.4 Lakhs
Viewing Theatre	2 Lakhs
Total	20 Lakhs

Kitchen requirements include basic utensils, an induction, refrigerator, microwave, sandwich maker, coffee machine and all the raw materials.

The cafe will also have a pool table, a foosball table and dartboard.

It would also be having a projector and a screen.

The cafe would have an yearly expense in the following Breakup:

PARTICULARS	YEARLY EXPENSE AMOUNT (IN ₹)		
Rent of Cafe	24 Lakhs		
Electricity	6 Lakhs		
Broadband Charges	1.5 Lakhs		
Salary of Employees	10 Lakhs		
Taxes	4 Lakhs		
Marketing & Events/Tournaments	10 Lakhs		
Housekeeping and others	1 Lakh		
Hardware Maintenance	2.5 Lakhs		
F&B Requirements	3 Lakhs		
Total	62 Lakhs		

#### **CONSIDERATIONS**

Rent is taken as Rs 2 Lakhs per month, may vary place to place Electricity Charges are as per commercial charges @10Rs/Unit including taxes Broadband charges are taken as Rs 5 Thousand per month for 25PCs Number of employees=6 paid @ Rs 15 Thousand per month Hardware maintenance is taken as 5% of the initial hardware investment.

#### **REVENUE**

#### **Game Time**

On an average, a gamer plays for 5 Hours. Assuming the cafe to run 12 hours a day, and for 30 days in a month for 12 months, we calculate the number of gamers visiting the cafe in a year, provided the cafe is occupied at rates of 40%, 50%, 60%, 70%.

Number of gamers visiting the cafe in a year

(Number of Gaming PCs \* Occupancy Rate \* Operational Hours \* 30 \*12)/Average Hours Per Person

Now we will calculate the game time revenue,

Game time revenue in a year

No. of Gaming PCs \* Occupancy Rate \* Operational Hours \* 30 \* 12 \* Cost Per Hour

From the calculations, we get the Game Time Revenue as follows

OCCUPANCY RATE	40%	50%	60%	70%
Yearly Game Time Revenue(in ₹)	81.2 Lakhs	101.5 Lakhs	121.8 Lakhs	142.1 Lakhs

#### **FOOD & BEVERAGES**

In food & beverages we have a Rs 100 margin in the processed foods and Rs 50 margin on ready to eat snacks and Rs 20 margin on beverages which gives us the table below.

#### **Yearly Food Revenue**

=

Number of Gamers Visiting in a Year \* Consumption Rate \* Average Profit Margin

REVENUE FROM FOOD & BEVERAGES				
Consumption Rate Avg. Profit margin (in ₹)				
Beverages	60%	₹ 20		
Snacks	50%	₹ 50		
Food	40%	₹ 100		

The revenue from food & beverages is as follows

OCCUPANCY RATE	40%	50%	60%	70%
Yearly Food & Beverage Revenue (in ₹)	14.1 Lakhs	17.7 Lakhs	21.2 Lakhs	24.7 Lakhs

#### **OTHER SOURCES**

The following is the calculation of the revenues from other sources like gaming accessories, gaming merchandise, tournaments, online currency, events sponsors, live streaming, advertising space and professional game training.

OTHER SOURCES OF REVENUE				
	Consumption Rate	Average Margin (in ₹)		
Gaming Accessories	30%	200		
Gaming Merchandise	30%	100		
Online Currency	30%	15		
Indoor Games	20%	80		
Professional Game Training	5%	1000		

#### **Other Sources Revenue**

#### No. of Gamers Visiting in a year \* Consumption Rate \* Average Profit

OCCUPANCY RATE	40%	50%	60%	70%
Other Sources of Revenue (in ₹)	27.7 Lakhs	34.6 Lakhs	41.6 Lakhs	48.5 Lakhs

PARTICULARS	YEARLY REVENUE (IN ₹)
Advertising Space	3 Lakh
Tournaments	1 Lakh
Events sponsors	1 Lakh

#### REVENUE BREAKUP AND PAYBACK

Having an analysis at an occupancy rate of 40%, 50%, 60% and 70%, the payback period is being calculated as follows: -

OCCUPANCY RATE		40%	50%	60%	70%
Oth Year Investment	102 Lakhs				
Game Time Revenue		81.2 Lakhs	101.5 Lakhs	121.8 Lakhs	142.1 Lakhs
Food & Beverages Revenue		14.1 Lakhs	17.7 Lakhs	21.2 Lakhs	24.7 Lakhs
Other Sources of Revenue		27.7 Lakhs	34.6 Lakhs	41.6 Lakhs	48.5 Lakhs
Advertising Space, Tournaments and Event Sponsors		5 Lakhs	5 Lakhs	5 Lakhs	5 Lakhs
Total Revenue		128.1 Lakhs	158.9 Lakhs	189.6 Lakhs	220.4 Lakhs
Running Expenses		62 Lakhs	62 Lakhs	62 Lakhs	62 Lakhs
Yearly Profit		66.1 Lakhs	96.9 Lakhs	127.6 Lakhs	158.4 Lakhs
Payback Period		1 Years & 3 Months	1 Years	10 Months	8 Months







**5000 SQUARE FEET CAFE SUGGESTIVE LAYOUT** 



**SOURCE: COURTESY NVIDIA CAFE INITIATIVE** 

For a 5000 Sq.Ft cafe having 100 PC, the required initial investment would be as follows:

PARTICULARS	INVESTMENT AMOUNT (IN ₹)	PERCENTAGE OF INVESTMENT
Hardware	106 Lakhs	57%
Cafe Building Deposit	15 Lakhs Deposit	8%
Interiors	39 Lakhs	21%
Licenses	1 Lakh	0.5%
Game Titles and Software Installment Charge	6 Lakhs	4%
AC and Electricity Charges 7.5TR (3)	11 Lakhs	5%
Kitchen Requirements	2 Lakhs	1.5%
Indoor Games	2 Lakhs	1.5%
Miscellaneous	2 Lakhs	1.5%
Total	185 Lakhs	100%

The below Interior Breakup is done based on information collected from some service providers.

INTERIORS	AMOUNT (IN ₹)
Carpentry Work	23 Lakhs
False Ceiling	4 Lakhs
Lighting & Electric Work	5 Lakhs
Painting	1.5 Lakhs
Food & Beverages Section	3 Lakhs
Viewing Theatre	2.5 Lakhs
Total	39Lakhs

Kitchen requirements include basic utensils, an induction, refrigerator, microwave, air fryer, sandwich maker and all the raw materials.

The cafe will also have a pool table, a foosball table, an air hockey table and dartboard. It would be having a projector and a screen.

The cafe would have an yearly expense in the following Breakup:

PARTICULARS	YEARLY EXPENSE AMOUNT (IN ₹)
Rent of Cafe	48 Lakhs
Electricity	9 Lakhs
Broadband Charges	2.5 Lakhs
Salary of Employees	14.5 Lakhs
Taxes	5 Lakhs
Marketing & Events/Tournaments	13 Lakhs
Housekeeping and Others	2 Lakhs
Hardware Maintenance	5 Lakhs
F&B Requirements	5 Lakhs
Total	104 Lakhs

#### **CONSIDERATIONS**

Rent is taken as Rs 4 Lakhs per month may vary place to place Electricity Charges are as per Commercial Charges @10Rs/Unit including taxes Broadband charges are taken as Rs 5 Thousand per month for 25PCs Number of employees=8 paid @ Rs 15 Thousand per month Hardware maintenance is taken as 5% of the initial hardware investment

#### **REVENUE**

#### **Game Time**

On an average, a gamer plays for 5 Hours. Assuming the cafe to run 12 hours a day, and for 30 days in a month for 12 months, we calculate the number of gamers visiting the cafe in a year, provided the cafe is occupied at rates of 40%, 50%, 60%, 70%.

#### Number of Gamers Visiting the Cafe in a Year

(Number of Gaming PCs \* Occupancy Rate \* Operational Hours \* 30 \*12)/Average Hours Per Person

Now we will calculate the game time revenue,

### Game time Revenue in a year

Number of Gaming PCs \* Occupancy Rate \* Operational Hours \* 30 \* 12 \* Cost Per Hour

From the calculations, we get the Game Time Revenue as follows

OCCUPANCY RATE	40%	50%	60%	70%
Yearly Game Time Revenue(in ₹)	162.4 Lakhs	203 Lakhs	243.6 Lakhs	284.2 Lakhs

### **FOOD & BEVERAGES**

In food & beverages we have a Rs 100 margin in the processed foods and Rs 50 margin on ready to eat snacks and Rs 20 margin on beverages which gives us the table below.

### **Yearly Food Revenue**

-

Number of Gamers Visiting in a Year \* Consumption Rate \* Average Profit Margin

REVENUE FROM FOOD & BEVERAGES			
Consumption Rate Avg. Profit margin			
Beverages	60%	20	
Snacks	50%	50	
Food	40%	100	

The Food & Beverages Revenue is as follows

OCCUPANCY RATE	40%	50%	60%	70%
Revenue from Food & Beverages (in ₹)	28.3 Lakhs	35.4 Lakhs	42.5 Lakhs	49.5 Lakhs

### OTHER SOURCES

The following is the calculation of the revenues from other sources like gaming accessories, gaming merchandise, tournaments, online currency, events sponsors, live streaming, advertising space and professional game training.

OTHER SOURCES OF REVENUE				
	Consumption Rate	Average Margin (in ₹)		
Gaming Accessories	30%	200		
Gaming Merchandise	30%	100		
Online Currency	30%	15		
Indoor Games	20%	80		
Professional Game Training	5%	1000		

### **Other Sources Revenue**

No. of Gamers Visiting in a Year \* Consumption Rate \* Average Profit Margin

OCCUPANCY RATE	40%	50%	60%	70%
Other Sources of Revenue (in ₹)	55.4 Lakhs	69.3 Lakhs	83.2 Lakhs	97 Lakhs

PARTICULARS	YEARLY REVENUE (IN ₹)
Advertising Space	7 Lakhs
Tournaments	2 Lakhs
Events Sponsors	2 Lakhs

### **REVENUE BREAKUP AND PAYBACK**

Having an analysis at an occupancy rate of 40%, 50%, 60% and 70%, the payback period is being calculated as follows: -

OCCUPANCY RATE		40%	50%	60%	70%
Oth Year Investment	185 Lakhs				
Game Time Revenue		162.4 Lakhs	203 Lakhs	243.6 Lakhs	284.2 Lakhs
F&B Revenue		28.3Lakhs	35.4 Lakhs	42.5 Lakhs	49.5 Lakhs
Other Sources of Revenue		55.4 Lakhs	69.3 Lakhs	83.2 Lakhs	97 Lakhs
Advertising Space, Tournaments and Event Sponsors		11 Lakhs	11 Lakhs	11 Lakhs	11 Lakhs
Total Revenue		257.2 Lakhs	318.8 Lakhs	380.3 Lakhs	441.9 Lakhs
Running Expenses		104 Lakhs	104 Lakhs	104 Lakhs	104 Lakhs
Yearly Profit		153 Lakhs	214.8 Lakhs	276.3 Lakhs	337.9 Lakhs
Payback Period		1 Years & 1 Months	10 Months	9 Months	7 Months





10000 SQUARE FEET CAFE SUGGESTIVE LAYOUT



**SOURCE: COURTESY NVIDIA CAFE INITIATIVE** 

For a 10000 Sq.Ft cafe having 150 PC, the required initial investment would be as follows:

PARTICULARS	INVESTMENT AMOUNT (IN ₹)	PERCENTAGE OF INVESTMENT
Hardware	159 Lakhs	51%
Cafe Building Deposit	20 Lakhs Deposit	7%
Interiors	80 Lakhs	26%
Licenses	1 Lakh	0.5%
Game Titles and S/W Installment Charge	11 Lakhs	3%
AC and Electricity Charges 12.5TR (4)	25 Lakhs	8%
Kitchen Requirements	3 Lakhs	1%
Indoor Games	4 Lakhs	1.5%
Miscellaneous	5 Lakhs	2%
Total	308 Lakhs	100%

The below Interior Breakup is done based on information collected from some service providers.

INTERIORS	AMOUNT (IN ₹)
Carpentry work	45 Lakhs
False Ceiling	10 Lakhs
Lighting & Electric Work	11 Lakhs
Painting	4 Lakhs
F&B Section	5 Lakhs
Viewing Theatre	4 Lakhs
Total	80 Lakhs

Kitchen requirements include basic utensils, an induction, refrigerator, microwave, air fryer, sandwich maker and all the raw materials.

The cafe will also have pool tables, foosball tables, an air hockey table and dartboard. It would be having a Projector and a Screen.

The cafe would have an Yearly expense in the following Breakup:

PARTICULARS	YEARLY EXPENSE AMOUNT (IN ₹)
Rent of Cafe	96 Lakhs
Electricity	15 Lakhs
Broadband Charges	4 Lakhs
Salary of Employees	27 Lakhs
Taxes	10 Lakhs
Marketing & Events/Tournaments	22 Lakhs
Housekeeping and Others	3 Lakhs
Hardware Maintenance	7 Lakhs
F&B Requirements	10 Lakhs
Total	185 Lakhs

### **CONSIDERATIONS**

Rent is taken as Rs 8 Lakhs per month, may vary place to place Electricity Charges are as per Commercial Charges @10Rs/Unit including taxes Broadband charges are taken as Rs 5 Thousand per month for 25PCs Number of employees=15 paid @ Rs 15 Thousand per month Hardware maintenance is taken as 5% of the initial hardware investment

### **REVENUE**

### **Game Time**

On an average, a gamer plays for 5 Hours. Assuming the Cafe to run 12 hours a day, and for 30 days in a month for 12 months, we calculate the number of gamers visiting the cafe in a year, provided the cafe is occupied at rates of 40%, 50%, 60%, 70%.

Number of Gamers Visiting the Cafe in a Year

=

(Number of Gaming PCs \* Occupancy Rate \* Operational Hours \* 30 \*12)/Average Hours Per Person

Now we will calculate the game time revenue,

### Game time Revenue in a Year

=

Number of Gaming PCs \* Occupancy Rate \* Operational Hours \* 30 \* 12 \* Cost Per Hour

From the calculations, we get the Game Time Revenue as follows

OCCUPANCY RATE	40%	50%	60%	70%
Yearly Game Time Revenue (in ₹)	243.6 Lakhs	304.5 Lakhs	365.4 Lakhs	426.3 Lakhs

### **FOOD & BEVERAGES**

In food & beverages we have a Rs 100 margin in the processed foods and Rs 50 margin on ready to eat snacks and Rs 20 margin on beverages which gives us the table below.

### **Yearly Food Revenue**

Ξ

Number of Gamers Visiting in a Year \* Consumption Rate \* Average Profit Margin

REVENUE FROM FOOD & BEVERAGES				
Consumption Rate Avg. Profit margin (ii				
Beverages	60%	20		
Snacks	50%	50		
Food	40%	100		

OCCUPANCY RATE	40%	50%	60%	70%
Food & Beverages Revenue (in ₹)	42.5 Lakhs	53.1 Lakhs	63.7 Lakhs	74.3 Lakhs

### OTHER SOURCES

The following is the calculation of the revenues from other sources like gaming accessories, gaming merchandise, tournaments, online currency, events sponsors, live streaming, advertising space and professional game training.

OTHER SOURCES OF REVENUE				
	Consumption Rate	Average Margin (in ₹)		
Gaming Accessories	30%	200		
Gaming Merchandise	30%	100		
Online Currency	30%	15		
Indoor Games	20%	80		
Professional Game Training	5%	1000		

### **Other Sources Revenue**

No. of Gamers Visiting in a Year \* Consumption Rate \* Average Profit Margin

OCCUPANCY RATE	40%	50%	60%	70%
Other Sources of Revenue (in ₹)	83.2 Lakhs	104 Lakhs	124.8 Lakhs	145.6 Lakhs

PARTICULARS	YEARLY REVENUE (IN ₹)
Advertising Space	15 Lakhs
Tournaments	10 Lakhs
Events Sponsors	10 Lakhs

### REVENUE BREAKUP AND PAYBACK

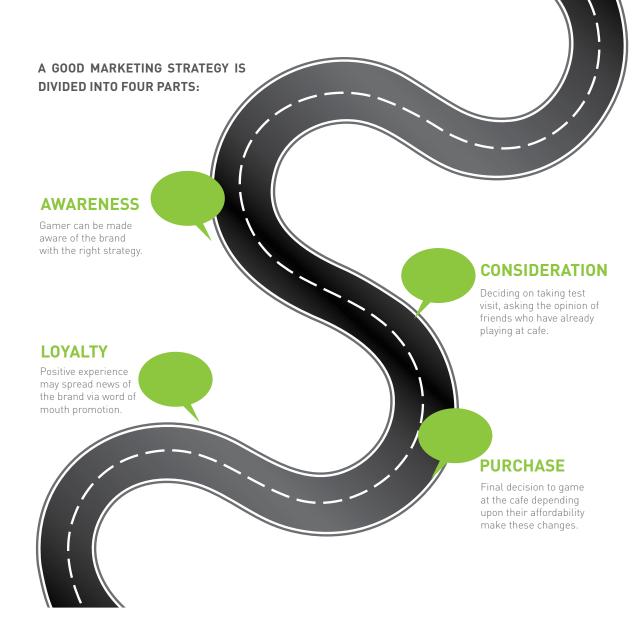
Having an analysis at an occupancy rate of 40%, 50%, 60% and 70%, the payback period is being calculated as follows: -

OCCUPANCY RATE		40%	50%	60%	70%
Oth Year Investment	307.8 Lakhs				
Game Time Revenue		243.6 Lakhs	304.5 Lakhs	365.4 Lakhs	426.3 Lakhs
Food & Beverages Revenue		42.5 Lakhs	53.1 Lakhs	63.7 Lakh	74.3 Lakhs
Other Sources of Revenue		83.2 Lakhs	104 Lakhs	124.8 Lakhs	145.6 Lakhs
Advertising Space, Tournaments and Event Sponsors		25 Lakhs	25 Lakhs	25 Lakhs	25 Lakhs
Total Revenue		404.3 Lakhs	496.7 Lakhs	589 Lakhs	681.3 Lakhs
Running Expenses		185 Lakhs	185 Lakhs	185 Lakhs	185 Lakhs
Yearly Profit	, 1,	219.3 Lakhs	311.7 Lakhs	404 Lakhs	496.3 Lakhs
Payback Period		1 Years & 2 Months	11 Months	10 Months	8 Months

# **MARKETING PLAN**

A good marketing strategy is integral to the success of any business. Most of the existing cafes have failed to gain major success due to the absence of an active marketing strategy. Advertising the product is as important as creating the product. Developing a good marketing strategy gives us a good idea about what our business is and how we want it to grow.





# **VAWARENESS**

Awareness is creating a buzz among gamers that the cafe is there and open for business. People should know and talk about the cafe and should check it out. To create such a buzz, we need to follow two modes of marketing:

### **ONLINE MODE**

>> Facebook: Facebook is a good source of creating awareness. Just make sure that the page is made and advertised along with good pictures and well worded details of the cafe. Even during tournaments, an event page must be created to attract mass gamers and increase visibility of the cafe.



Create a Facebook Page-Go to www.facebook.com/pages/create

>> Google Places: Google is the search engine for anything and everything. If a gamer in the city is looking for a gaming cafe, it is in essential to make sure that the cafe is visible on the search results. To ensure that the following needs to be done:

Go to google.com/business and select "Get on Google" Locate the address and select "add my business" Fill out as many details as possible One week later google will send the password and using that one can register the address.

>> Cafe Certifications: NVIDIA provides very good promotional support for eSports cafe in return for buying their hardware and following their standards, these certifications can be earned by simply registering with them. Certifications from NVIDIA will make gamers more loyal to the cafe and the brand. For more information Visit-

https://www.nvidia.in/cafe



One can add the cafe pictures, game availability, videos, and give information about the latest tournaments, events etc.

- Customer engagement
- A forum for all the gamers providing them with a dedicated platform to socialize, where they discuss about games.
- Showcasing the options of merchandises and in-game items available in the cafe.
- >> YouTube Channel: Creating a YouTube channel is free and easy. YouTube is one of the most popular eSports live-stream platforms these days and gamers wish to watch eSports matches. YouTube Channel will engage a huge number of gamers.

All that needs to be done is

- ► Upload tournament videos
- ▶ Upload in cafe game release videos
- ► Upload latest game reviews and customer feedback.

All things considered, YouTube channel could also be a good source of ad revenue.

- >> Twitter/Instagram: Both are free and could be used to upload pictures of the tournament winner's details, merchandize options and inform on promotional offers anything new related to the cafe.
- >> WhatsApp Group: Could be used to keep in touch with regular gamers and inform them about tournaments or events in the cafe long with the offers running currently in the cafe.
- >> Twitch: A live video upload platform which gamers use extensively and could be a source of promotion and revenue. 30% of the gamers have twitch.tv as their favourite live-stream platform in India.

### **OFFLINE MODE**

>> Create a Flashy place: The cafe should stand out from the surroundings. Use colourful lights, digital billboards, designer helium balloons, designer entrance doors, huge posters, etc.

Keep changing them often as well. This will attract more people.

Just make sure that the place of business should not become invisible in plain sight.

>> Flyers: When starting a cafe, creating awareness is important.

Flyers are almost like a personal invitation. Use them wisely and rarely. Printing of flyers are most suitable for occasions like starting a business, a major change in business or an event.

Find out all school and colleges in a radius of 5km. Distribute flyers to them. Give them a reason to visit the cafe. Create enticing promotional offers.



# **V** CONSIDERATION

In this phase, the gamer knows about the gaming cafe and perhaps also has an interest in visiting the place. To make sure that the gamer visits the cafe, we must create a situation favorable to us and give them a reason to visit our cafe. To do so we can use a few promotion strategies:

### LAUNCH TIME PROMOTIONAL STRATEGY

When we are launching a new place for business, it is necessary that we break the ice with our gamers and ensure people have maximum incentives to visit the cafe. Sometimes people form illogical notions about a place based on the looks and advertisements about the place being way out of their budget. We need to avoid such a scenario. This can be achieved by following a few promotional strategies:

### >> Start with free game time:

The primary focus of any gaming cafe in the initial days is to maximize the footfall. Once the customer is familiar with the experience the place offers and has acquired a taste for gaming, he will keep coming back for more.

### >> Train newer gamers:

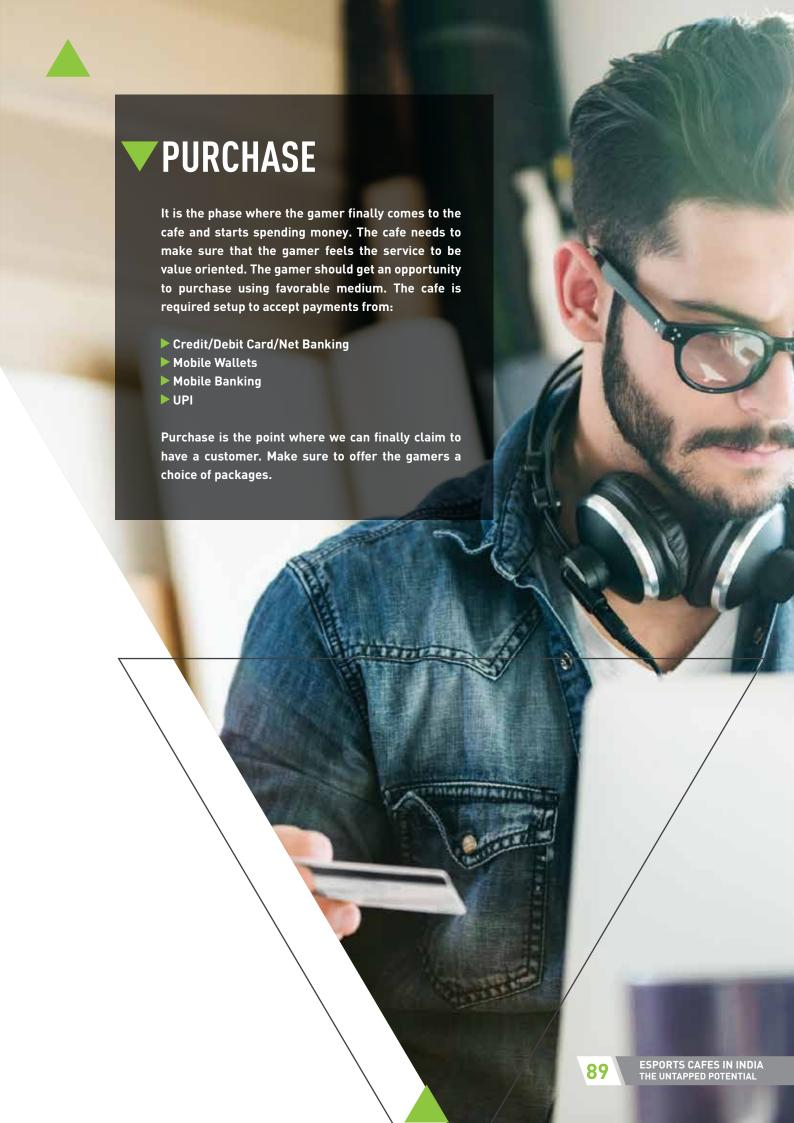
Free gaming will bring new gamers to the café. These people need to be properly introduced to gaming. Not only will they need to be explained the kind of opportunities eSports tournaments provide, they will also need to be guided about different gaming genres and the way to play a few not so easy games. A tournament kind of setup for training a first-time gamer could really change the way a person looks at gaming. Encouraging him to be a regular gamer and a regular customer.

We offer free gaming for the first time and then normal charges. All the while monetizing through other sources of income like food and beverages, merchandize and computer shop.

### LONG TERM PROMOTIONAL STRATEGY

Marketing is a continuous process, it is necessary to continue investing in marketing the cafe throughout its life. In the long term, we need to come up with newer strategies to attract new customers and retain older ones. The following are a few promotional strategies for older cafes:

- >> Create own cafe teams for different games. Hold and participate in tournaments as often as possible.
- >> Make the prizes half money and half accessories/merchandise, part of which should be one's own brand merchandise.
- >> Give free game time for social media check-ins, ratings, reviews, tweets, etc.
- >> At times of lower occupancy rates, special discounts can be given for example, Wednesday morning 10:00am to 12:00pm, 50% discount more on game time.
- >> Cafe can gift T-shirts/Hoodies and/or accessories for buying high value packages





Loyalty is the point when the gamer feels associated with the cafe, and considers himself as part of the cafe.

Certain loyalty programs can be rolled out, where the following promotions can be offered:

- >> Promotion for a session to a higher category after every 10 hours of gaming on a lower category.
- >> One complimentary beverage after 5 hrs of continuous gaming.
- >> Free merchandise gifts for buying a subscription.
- >> Brining a gamer with him giving him an hour of free gaming.

### THE FOLLOWING POINTS NEED ATTENTION:

### **HOSPITALITY**

Having people with right attitude is very important. All the good work and all investment can be ruined by a person with bad attitude. Make sure to boost the morale of the employees regularly and explain them the value of good relations with gamer.

Ensure that the employees follow the following practices:

### >> Personalize:

Understand that each customer is a different with different needs:

- Ask the customer his name and refer to him by that name.
- Notice if the customer is wearing a "Star-Wars" T-shirt, let him know that he is in good company and the cafe has related merchandise.

### >> Anticipate needs and Issues:

Not everything needs to be told, some things are simply understood. Some gamers are going to stay in the cafe for hours and due to this, certain things are to be taken care of:

- ▶ Be vigilant about cleanliness and hygiene in and around the facility.
- Food & beverages need to be available always.
- Separate loo facility for boys and girls.
- ► Temperature settings for people with different thresholds.
- ► Mobile charging points.
- ► \/\/i\_fi
- ► Bags/helmet keeping spaces
- First aid kit.

### >> Going the extra mile:

- ► Keeping cab/auto contacts handy in case of unavailability at late hours.
- ▶ Delivering food at seats.

### **GRIEVANCE REDRESSAL**

Solve the issues rapidly and bend over backwards to set things right. Remember, customers do a favour when they offer honest feedback, even if its not what we might want to hear. Make sure that there is a complaint book and the customers give regular feedback in it. Read the reviews of the place has online and pay careful attention to them. Whenever you see a grievance, even if there is nothing that can be done about it, do not ignore. Leave a polite reply, apologise if the situation calls for it and show that at least you care

## **CAFE SOFTWARE**

Many software's available in the market which can be used to make the day to day operations of an eSports cafe owner easier. Given below are a few software's which can be used for different purposes all meant to make the life of a gaming cafe owner simpler:

### **DISKLESS SOFTWARE SOLUTION**

As the name itself suggests, this category of software can heavily bring down the cost for a gaming cafe due to the absence of costs incurred on hard disks. All the systems are client systems connected to a single server system. This setup while being a little complex, is still very flexible and allows for a wide variety of operations to be performed. The following are few of the commercially available software which can be used:

### >> CCboot



### http://www.ccboot.com/internet-cafe-software.htm

- ► Easy Updates
- No More Viruses, Trojans, and Spyware
- Save Money on Human Resources
- No More Buying Hard Drives
- ► Personal Disk Support Included
- ► Multiple OS Boot Option

### >> iShareDisk



### http://www.isharedisk.com/

2810923@gg.com

- Support large than 2TB size disk and GPT partition or server, client system most be newer than windows vista system
- ► An integrated resolution of diskless boot with built-in DHCP\_PXF\_TETP and iSCSI disk function
- ► Support read/write cache and SSD two level cache on server, zero write cache on client.
- ► Support multiple servers load balance, fail-over online and sync system image file
- Support roaming personal disk with login name roaming personal desktop and documents with disk

For the tech-savvy people, there are many YouTube videos available which can be used to perform such an activity and save installation costs.

For further guidance on this issue people can contact Mr. Shravanth Reddy whose cafe LXG (Bengaluru and Chennai) are successfully running using such a software.

You may also connect with the owner of Playmax who is using the same technology if your location is in Hyderabad.

### CAFE MANAGEMENT SOFTWARE SOLUTION

Once again as the name itself suggests, this category of software can ensure that the management of software goes smooth. There are many features of such a software, once again we leave it up to the cafe owners and their requirements:

### >> Smart Launch



SMBRT launch

### support@smartlaunch.com

Vinay: +91 7710828135, +971 563006623

- Smart launch eSports 5.0 introduces a wide range of tools for organization of local eSports tournaments and participation in international competitions. Features include popular game statistics, results, automated standings rankings and individual profiles for players and teams.
- Smart launch supports every imaginable pricing structure by allowing customization of pricing models and advanced quantity discounts, including off-peak and peak prices, offers, prepaid tickets, and much more.

### >> ggLeap



**eSports Center Software** 

### https://www.ggleap.com

- Futuristic user interface with ability to rebrand.
- ► Manage your store from anywhere. PC, tablet, phone.
- Customers earn hourly and in-game coins.
- Digital keys content and other sponsored prizes.
- Integrated player ranks, tournaments, badges & more.
- ► Simple conversion from your current software.
- ► Game license pool sharing across locations

### >> ANTAMEDIA





- ▶ Manage security, billing, games & apps, employees
- No advertisements. No subscriptions. Lifetime license
- Control printers, POS stock, remote desktop control
- Control Wi-Fi devices, limit download & upload
- Accept credit cards & PayPal. Login with smart cards

# **V**LEGAL REQUIREMENTS FOR A GAMING CAFE

There are certain licenses which need to be procured before starting an eSports cafe. The licenses and certificates are similar for all the cities except for the process and duration of processing the requests. Following are the details of the licenses: -

### >> GST

Now after GST implementation; Service Tax, Entertainment Tax and VAT come under the same roof – GST. While setting up their business owner must mention the kind of services and goods they plan to provide; if they plan to sell food, hardware, business auxiliary service, entertainment services etc.

- >> Shops and Establishment License- This license is required to regulate payment of wages, hours of work, leave, holidays, terms of service and other work conditions of people employed in the Cafe.
- >> Professional Tax- This tax needs to be paid to the government every year depending on the 'X' Number of partners or sole proprietorship since running a Cafe is a profession like any other profession in India.
- >> Refreshment License- If food & Beverages is served then there needs to be a Refreshment license or else if proper meals are served then a restaurant license is required where there should be an area of parking also available near the Cafe.

- >> Trade License- This is supposed to be renewed on a yearly basis to show the government that a business is running at a 'ABC' location.
- >> Phonographic Performance Limited- A PPL license is customized for each Licensee and will enable you to play sound recordings in public according to your circumstance. For example, a public performance license does not allow you to re-record commercial sound recordings onto other media

# THE CAFE

Cafe setup requires a lot of dealing in terms of infrastructure, technology, legal and regulatory issues. The main aim is to understand the challenges and overcome them to come out with a proper plan. The following are the challenges a person may face in running a gaming cafe: -

- >> Power Outages: Power cuts for long durations in Tier II and Tier III cities and other towns across India are a regular feature. So, one needs to ensure that there is uninterrupted power supply and for this the cafe should be fully equipped with power solutions to ensure high quality, integrated customer service and prompt delivery
- >> Legal Challenges: The entrepreneurs often face action from the law makers so, they need to ensure that they share a good rapport with the local law makers which includes the police personnel also.
- >> **Broadband:** This is another major hurdle for the gaming cafe operators:
- >> Latency- It is also known as the ping rate and is an important aspect in online gaming. Latency is the quality of the network connection. The desired latency is low latency. Games such as League Of Legends, DOTA2 and Counter Strike all depend on a low ping rate. Anything above 100ms will hamper operations causing issues like stuttering, lag, frame drops and chances of getting disconnected from the server.

- >> FUP (Fair Usage Policy) As per the directives issued by TRAI, every ISP(Internet Service Provider) must implement FUP which says that ISPs should provide capped bandwidth to their customers.
- >> Lack of Skilled Manpower: The demand for skilled manpower is expected to grow along with the growth of the gaming industry and needs to be fulfilled.

# ESPORTS CAFES IN INDIA THE UNTAPPED POTENTIAL 96



We believe that the right industry contacts are necessary to succeed in any business endeavour. The following are a few industry contacts which will be helpful in the **eSports Cafe** Business.



NVIDIA is a leading brand in visual computing, promoting gaming culture in India heavily. Nvidia 10-series GeForce GTX graphics cards are the No 1 brand choice for all gaming enthusiasts. NVIDIA has a cafe certification program to educate and to help create a better ecosystem for all cafe investors / partners for long term growth and profits. They help with marketing support to increase footfalls, conduct gaming meets, eSports tournament etc. that subsequently increases the cafe revenue. The certified cafes have seen a 30% jump in their revenue year over year post NVIDIA certification and support. NVIDIA can be contacted for any query or questions related to the eSports cafe business.

Mr. Yogesh Nagdev | Mobile: +91 9892299026 Email Id: ynagdev@nvidia.com https://www.nvidia.in/cafe



### ACRO

They are eSports cafe experts. They can provide end to end solution for cafe setup and solutions for licenses, software, hardware and furnishing; they are the one stop shop.

Mr. Subramani Bn | Mobile: +91 9900092585 Email Id: subramani@amigointernational.biz



An interior designing and fabrication agency who specialize in setting up eSports cafes. They have more than 4 years of experience in this space and have done several projects across India.

Ms. Leela Swamidoss | Mobile: +91 9900063922 Email Id: leela@printree.in

### **CONTENT CREDITS**

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### **DESIGN CREDITS**

Printree- Custom Creation Private Limited

### PHOTOGRAPH CREDITS

Mr. Velu Vishwanath LXG Cafe RIG Esports Cafe China Cafes iStock photos Shutterstock



