

SBJ

TEO

**ESPORTS
RISING**

Esports Rising

Market Update: State of the Global Esports Market

May, 2021



newzoo

Newzoo: The Destination for Games Market Insights

Our Services



Platform

The single destination for anyone with an interest in games. Broad and market-specific solutions, including our landmark reports.



Consumer Insights

The best way to understand consumer engagement and profile target groups, including our persona segmentation.



Consulting

Custom projects that put our experience and expertise to work on strategic and financial challenges.

Global Esports & Live Streaming Market Report



24.9B

Hours Watched on Twitch
and YouTube in 2020

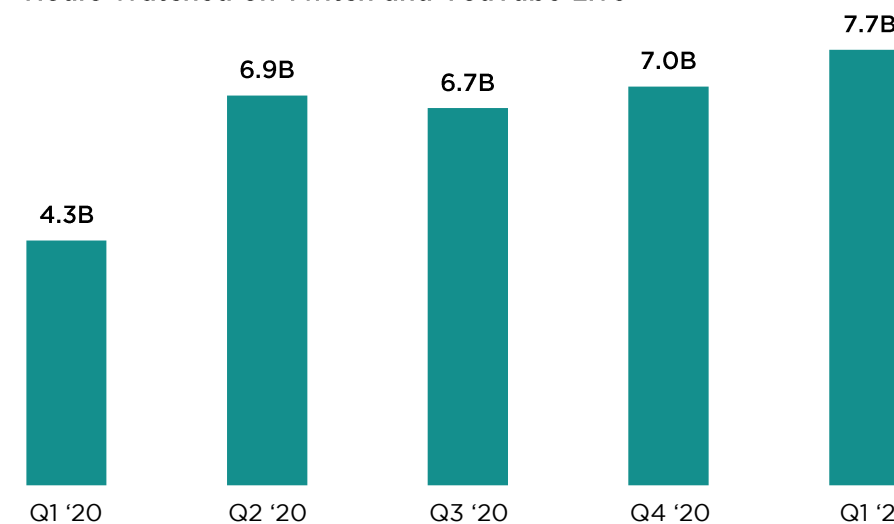
+76% YoY

1.43B

Esports Hours Watched
on Twitch and YouTube
in 2020

+12.6% YoY

Hours Watched on Twitch and YouTube Live





Where are we today?

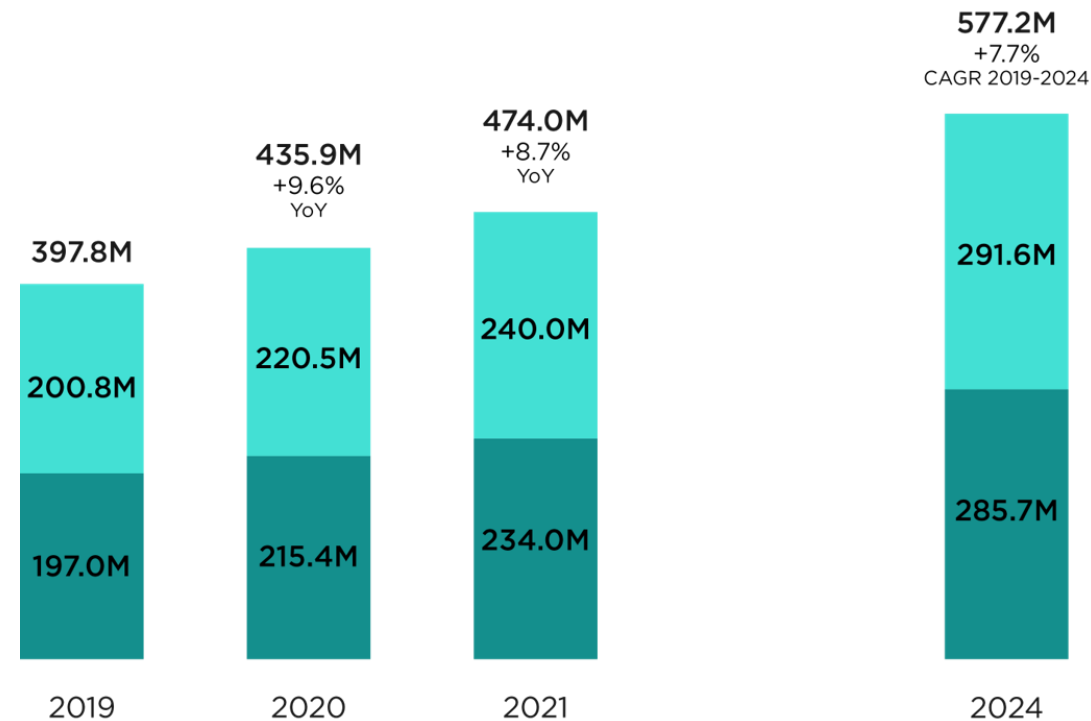
Regaining momentum

Total Audience Nears Half a Billion in 2021

China is again the leader in esports audience with the highest share of esports enthusiasts globally

● OCCASIONAL VIEWERS

● ESPORTS ENTHUSIASTS



Due to rounding, Esports Enthusiasts and Occasional Viewers do not add up to the total audience in 2024.

The Enthusiasts Around the World Continue to Grow



215.4M

Esports Enthusiasts

9.6% YoY

18.2M

North America

6.5% YoY

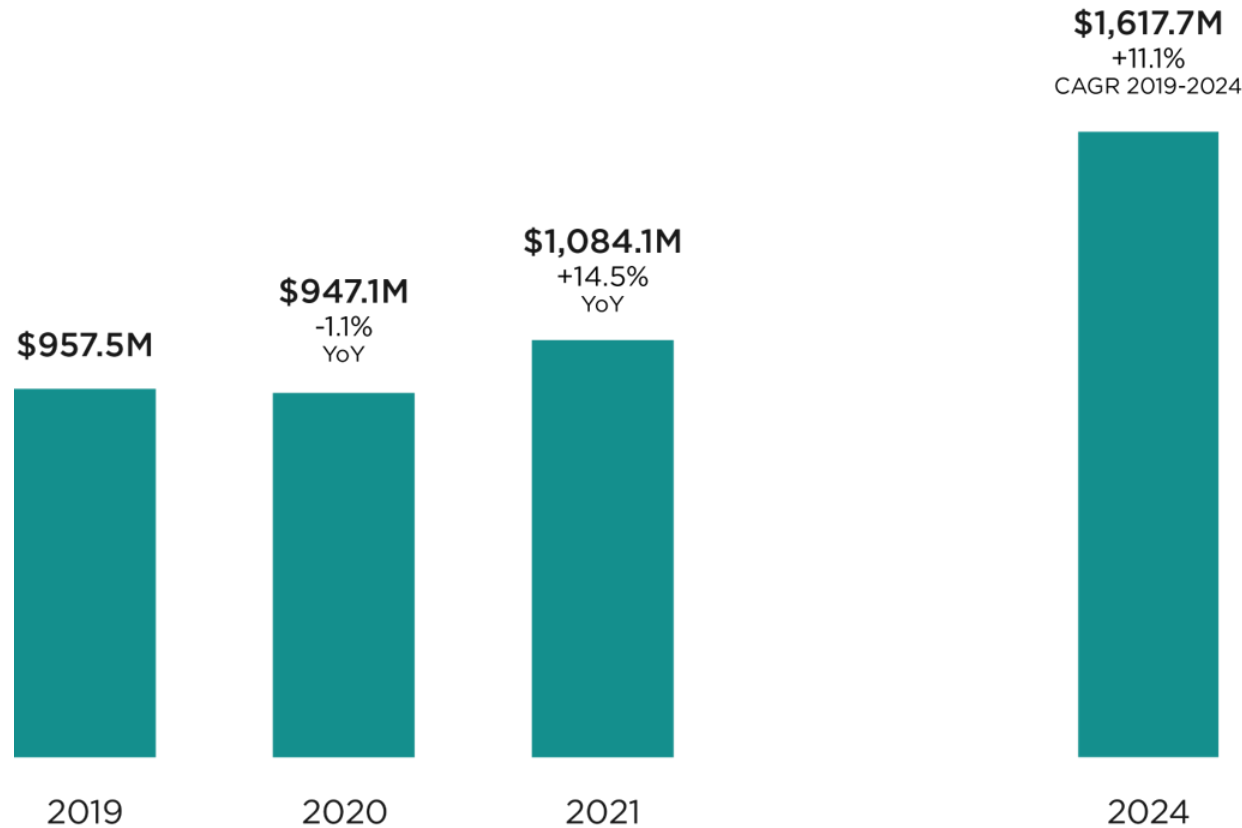
29.2M

Europe

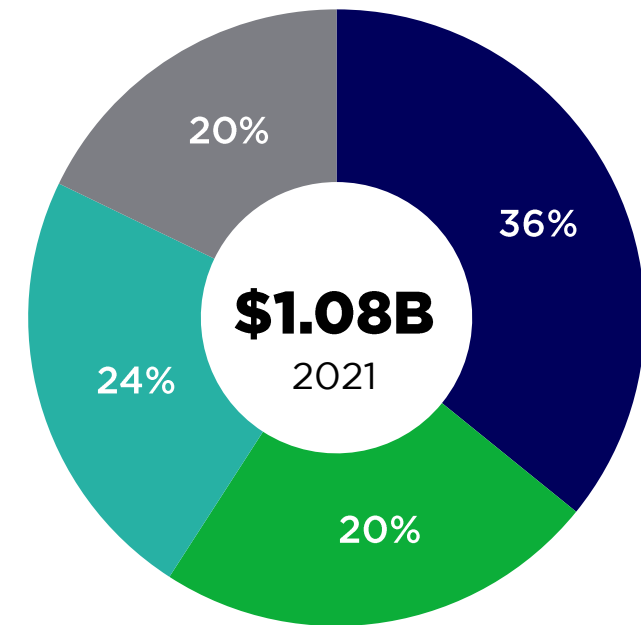
10% YoY

Esports Revenues Will Break the Billion mark in 2021

China is the global leader with the largest share of revenues



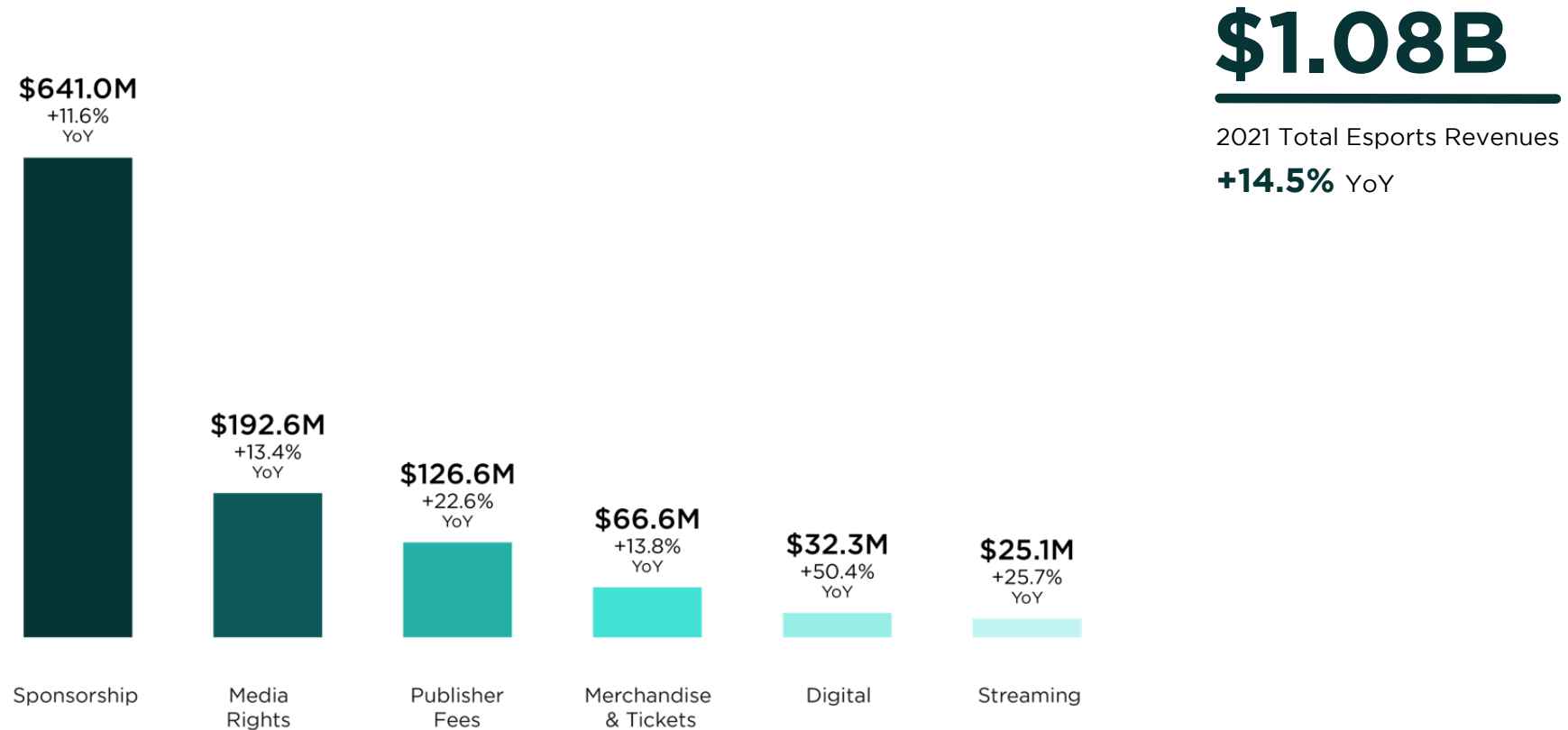
China will generate
\$360M
in 2021 or 36% of global esports revenues



● CHINA ● EUROPE ● NAM ● REST OF WORLD

Sponsorships Remain the Top Revenue Stream

Sponsorships and Media Rights will continue to be the top revenue streams by the end of 2021



Newzoo's esports revenue figures always exclude revenues from betting, fantasy leagues, and similar cash-payout concepts, as well as core game revenues

Q1 2021 Sets the Pace after a Tough Year

Q1 closed with a record number of deals, of which many are multi-year partnerships

Esports Sponsorships

2019-2020

● Total Number of Deals

601

2019

387

2020

Esports Sponsorships

2019-2021

● Total Number of Deals

193

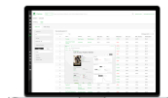
Q1-19

140

Q1-20

205

Q1-21



Unique to Newzoo Expert

✓ Trending, Deep Dives, Taxonomy Filters, and Table Calculations
For Playing & Gaming Data, and Viewing & Social Data

Multi-Year Deals Confirm the Industry's Strong Standing

In the past, the sponsorships agreements were almost entirely defined by one-year deals

Bilibili Signs Multi-Year Deal With Activision Blizzard, Secures Exclusive Broadcasting Rights to Overwatch League

by Hongyu Chen — April 15, 2021 Reading Time: 2min read

MAD Lions Lands Multi-Year Deal With GLS Spain

by Trent Murray — March 23, 2021 Reading Time: 1min read

Team Liquid and Alienware Renew Partnership for 10th Year

by Trent Murray — January 26, 2021 Reading Time: 1min read

G2 Esports Secures Multi-Year Deal With adidas

by Trent Murray — January 14, 2021 Reading Time: 1min read

BEFORE

- Esports deals were almost entirely characterized by **one-year deals**
- From the sponsor side, an esports sponsorship was **often an experiment**
- From the esports team organization's perspective, they were willing to bet on the industry's growth potential confident to renew the following year

NOW

- Recently the esports industry has seen significant **increases in multi-year sponsorship deals**
- **Returning sponsors have found value in their partnerships** and are willing to invest on a longer horizon
- **Esports organizations are looking for stability** and guaranteed cash flows on a longer horizon can help providing it

Furniture Manufacturing Sponsorships Surge With Remote Work

Traditional chair manufacturers have accelerated their efforts to expand beyond their traditional markets



32

Sponsorship deals closed by furniture manufacturers in the past 12 months (vs 15 in the 12 months prior)

Comfort and physical health have become essential considerations for everyone

- COVID-19 related lockdowns have resulted in people spending a significant time at home at their desk
- The efforts of furniture manufacturers signal a growing interests for companies in the industry to partner with esports organizations
- It is worth noting that although there were a few league-wide deals in Q1 2021, most gaming furniture sponsorships were signed specifically with esports teams organizations. Since most matches are being played online, partnering with a team provides a similar exposure benefit one would traditionally get with a league sponsorship

Financial Services and Insurance Firms Tap into Esports

The growth of esports keeps attracting non-endemics, with financial services joining the fray



A young, relatively affluent, and hard to reach audience brought financial services brands to venture into the esports industry.

While in Q1 2020, there were only 3 sponsorships involving credit or insurance companies, Q1 2021 saw 13 such institutions partner with esports leagues and organizers

Santander, signed a deal with the Brazilian League of Free Fire. Santander aims to appeal to Latin-American customers in the age 20 to 30 bracket.

USAA, a Fortune 500 firm, partnered in February with the Call of Duty League in order to establish itself amidst interested members of the military

The Pentagon Federal Credit Union has also signed a three-year deal with overwatch team Washington Justice.













Lastly, Q1 2021 brought about a sponsorship agreement between Amsterdam-based IMC Trading and Team Liquid.



Looking forward

Riot Games is laying the foundations for a multifaceted esports scene

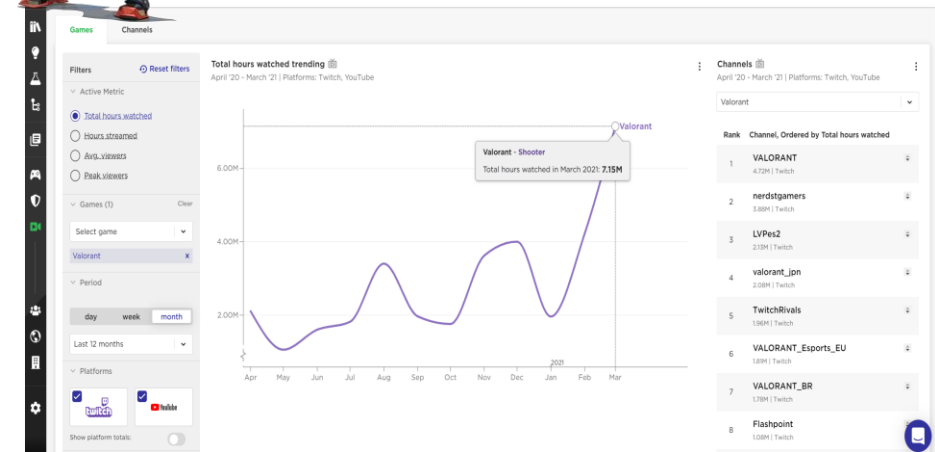
Riot Games' foray into shooters is paying off in a big way, as its performance on live-streaming platforms suggests

TITLE	GENRE	PLATFORM
LEAGUE OF LEGENDS		
TEAMFIGHT TACTICS		
VALORANT		
LEGENDS OF RUNETERRA		
LEAGUE OF LEGENDS WILD RIFT		
Project L		



13.3M

Live Esports Hours Watched on Twitch and YouTube in Q1 2021



Valorant esports hours watched in the past 12 months



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Franchise Leagues will soon return to a LAN format

Regional formats were quickly able to shift to online-only play albeit not without difficulties

2020

Overwatch League Matches Moving Online

© 3/13/2020 | By Blizzard Entertainment



CALL OF DUTY LEAGUE SHIFTING CURRENTLY SCHEDULED LIVE EVENTS TO ONLINE COMPETITION

ANNOUNCEMENT © 3/12/2020 | By Call of Duty League



- After governments worldwide implemented pandemic lockdown measures, **the entire esports ecosystem was disrupted, regardless of format**
- Both leagues shifted to online formats, **successfully managing to keep the season going**
- The shift to online presented some logistical difficulties, such as dealing with internet latency. However, **regional formats are better suited at online play compared to international tournaments** where online-play isn't an option
- Activision Blizzard offered franchise fee deferments for OWL and CDL teams
- Both leagues have announced a return to LAN format in 2021, but it is still unclear whether there will be an audience

2021

The Overwatch League is returning to LAN according to Blizzard

After a long while of online Overwatch action, the Overwatch League is headed back to a LAN environment, according to Blizzard.

14.04.2021 | By Jet Van den Bosch





Thank you!

