

Analysis of Gaming Industry

Introduction:

Gaming industry is a booming market with a rise of positivity in the hearts of teenagers. Earlier, mobile and desktop games were a part of fun and entertainment but later on internet start evolving with multiplayer games and LAN gaming. This evolution of games turned out to be a new gaming industry known as “E-sports” industry. According to Newzoo¹, the global esports economy is going to touch height of \$905 Million by the end of 2018. The figures are increasing with a rise of 33% from previous year. The success of gaming industry is due to advertisement, sponsorship and large gaming audience who views it offline in live events and online on various gaming platforms. The report shows global market, popularity gaining platforms, career and earning sources for gaming industry in detail.

Evolution of gaming industry over the period of time:

The Statista report² helps in identifying the growth of esports market value around the world. In 2012, esports industry was worth \$130 Million which

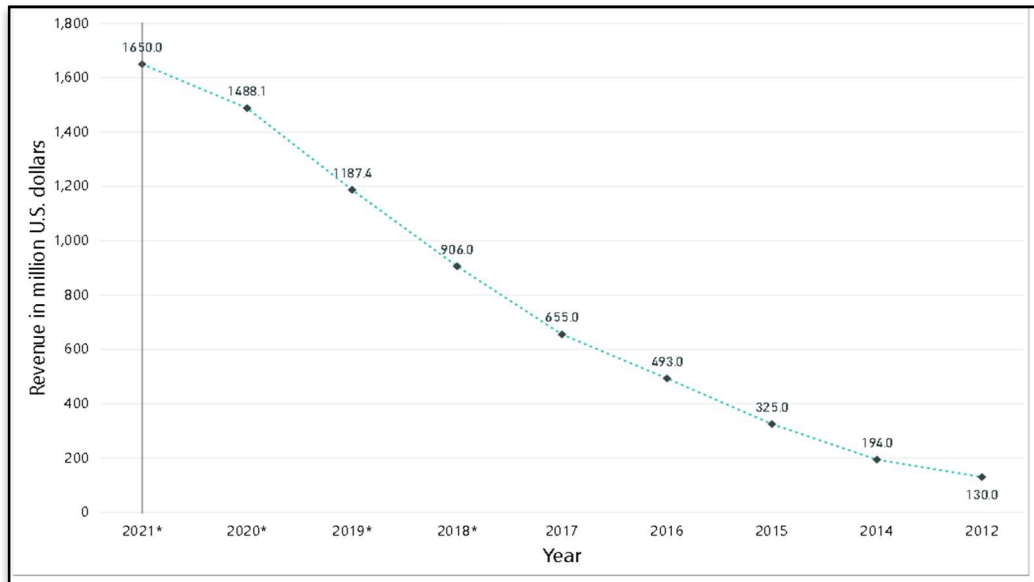


Figure 1 – Revenue growth from 2012 to 2021

skyrocketed to \$655 Million in 2017. The forecasted revenue also shows the rise of almost 20% to 30% percent in each year till 2021.

Global Market:

The gaming industry is helping countries worldwide to generate a huge chunk of revenue. So which country is leading the chart with highest growth in gaming industry? It is China who is leading the chart with a whopping \$32536 Million revenue. Even though United States of America holds technical advantage it lacks in growth of esports and stands on the second position after china with a total revenue of \$25426 Million. The population of China is helping gaming industry to increase its boundaries and expand enormously. European countries such as Germany (\$4430M), France (\$2977M), Spain(\$1918M), Italy(\$1531M), Poland(\$504M) and Sweden(\$414M) remains is mostly influenced by gaming.

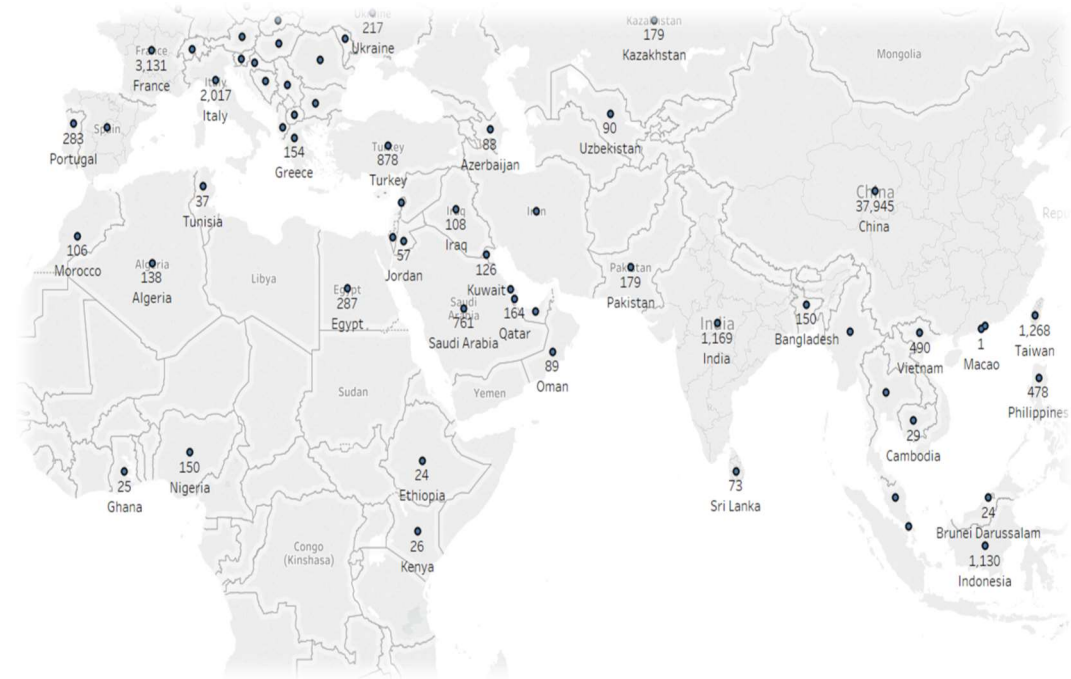


Figure 2 – Revenue generated globally

Top 10 Revenue Generating Companies from Gaming:

The race for grabbing the top position is going on between video game companies. As per reports release by Newzoo³, Tencent company is commanding at the top position leaving Sony, Apple, Microsoft, Google, EA, Disney and many more behind of it. Tencent with a total of \$18120 Million revenue shows a progress of almost 51% within a year. Some of the reputed company like Apple, Google, Microsoft, EA, Disney should focus more on gaming industry as per the financial reports to boost the esports field with the help of its expert research team. Irrespective of the position, all the companies depict the rise in revenue due to games. The ranking is based on gaming revenue generated but it does not include of the hardware produced product such as nintendo, playstation, gaming mouse, gaming keyboard and graphic card (GPU).

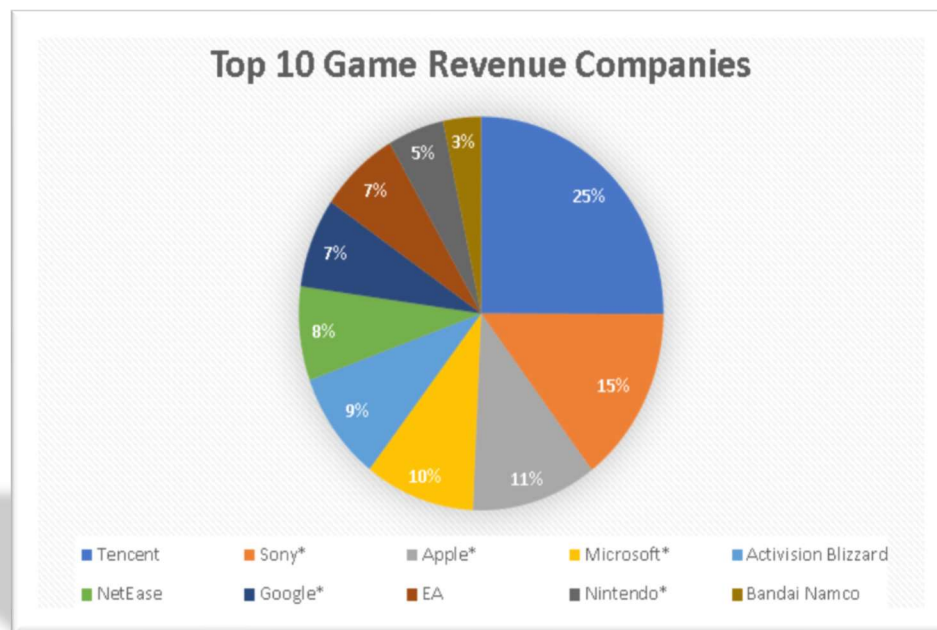


Figure 3 – Leading Gaming companies

Popularity:

Earlier, esports and games were not famous so how did the gaming industry achieve such a great pace within last few years? The answer to this question lies within popularity. Various gaming and social platforms such as YouTube Gaming, Twitter, Facebook and Twitch.tv helped gaming sector to expand and spread in every corner of the world. Fan following list of the popular esports teams and games as well as streaming esports games on channel increase the popularity within the audience.

Gaming Platform

Twitch.tv is a gaming partner which helps gamers to connect with the live events and enjoy thrilling gaming experience just by sitting at home. The top channels which is watched mostly on twitch is 'ninja' with a record of 941959 Hours. This channel streams different games based on the trend analysis. The channels with less hours watched consists of unpopular

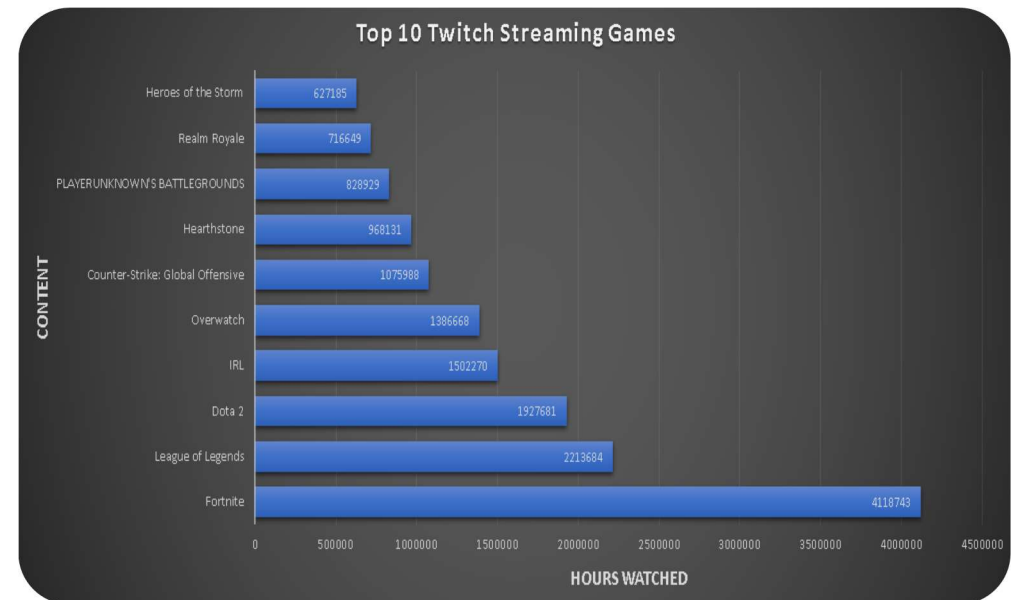


Figure 4 – Most watched games on twitch

games such as Blitz heroes, Riot and summit. The bar graph diagram represents top 10 channels on twitch.tv based on hours watched by the viewers.

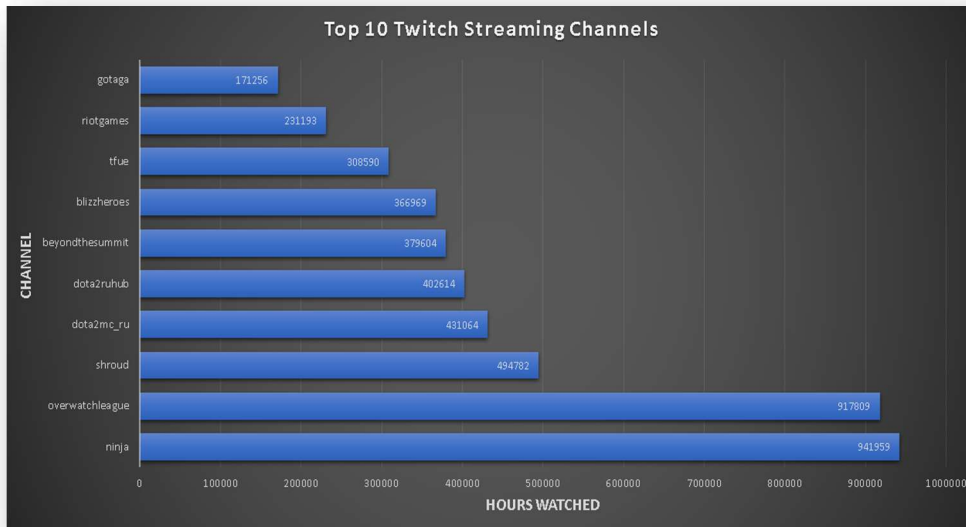


Figure 5 – Most watched channels on twitch

The games which are streamed mostly on twitch are Fortnite, League of Legends, Dota 2, PUBG, Overwatch, Counter Strike and Hearthstone. Fortnite is leading the content competition with 4118743 hours of streaming whereas Heroes of the storm reside on 627185 hours of streaming. The games which are mostly streamed belongs to action games category.

Social Platform

Social Platform such as Twitter and YouTube are also helping gaming sector to reach people who wants to achieve their career in esports. Some of the teams who are earning some real money are Optic gaming, Faze clan, Team Solomid, Fnatic, Cloud9, Natus Vincere, Liquid, Dignitas, Complexity gaming and NRG esports. This teams are popular by their name and game. The bar chart diagram shows the popularity of all those clans on social platforms such as Twitter and YouTube.

YouTube has a website dedicated to gaming named as YouTube Gaming which only holds gaming channels. According to the reports, Optic gaming

have a support of around 3232408 people contributing 22.17 % of twitter performance. Faze clan is topping the YouTube charts with support of 4591722 followers and gaining 49 % of YouTube performance.

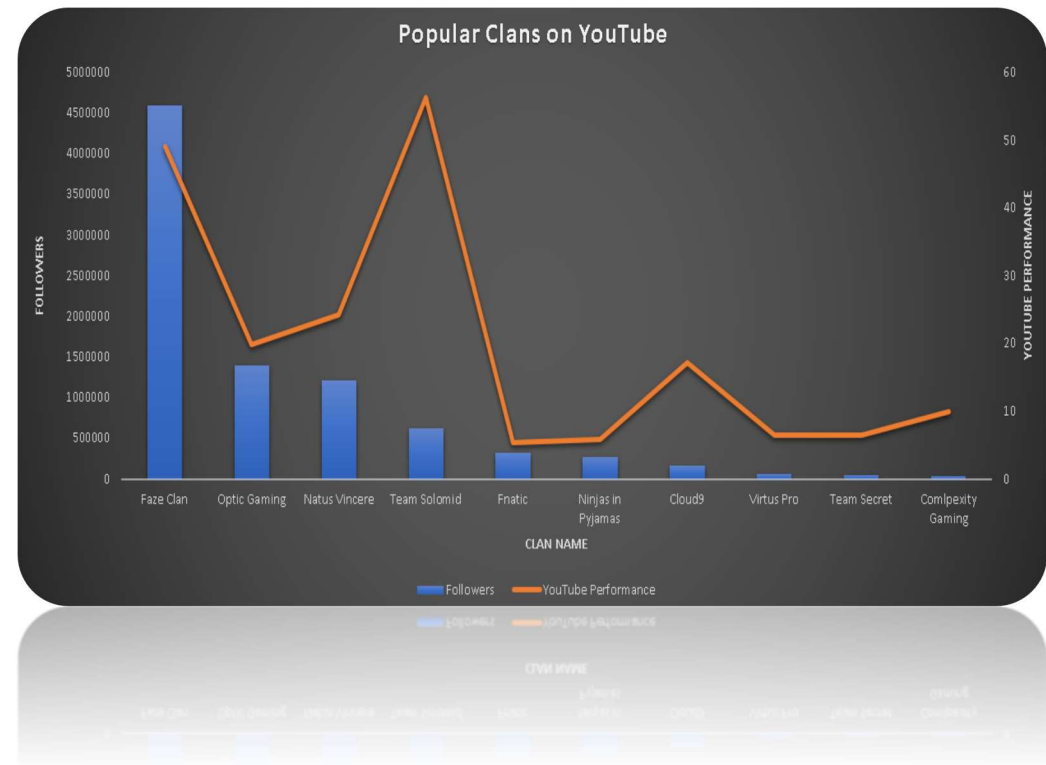


Figure 6 – Popular clan on YouTube

Twitter is a social platform with largest audience. Esports pages on twitter helps gaming industry to spread the awareness related to latest gaming events carried out in specific country. The tweets by famous esports athletes creates chaos on social media platform and gains huge response in the upcoming gaming events.

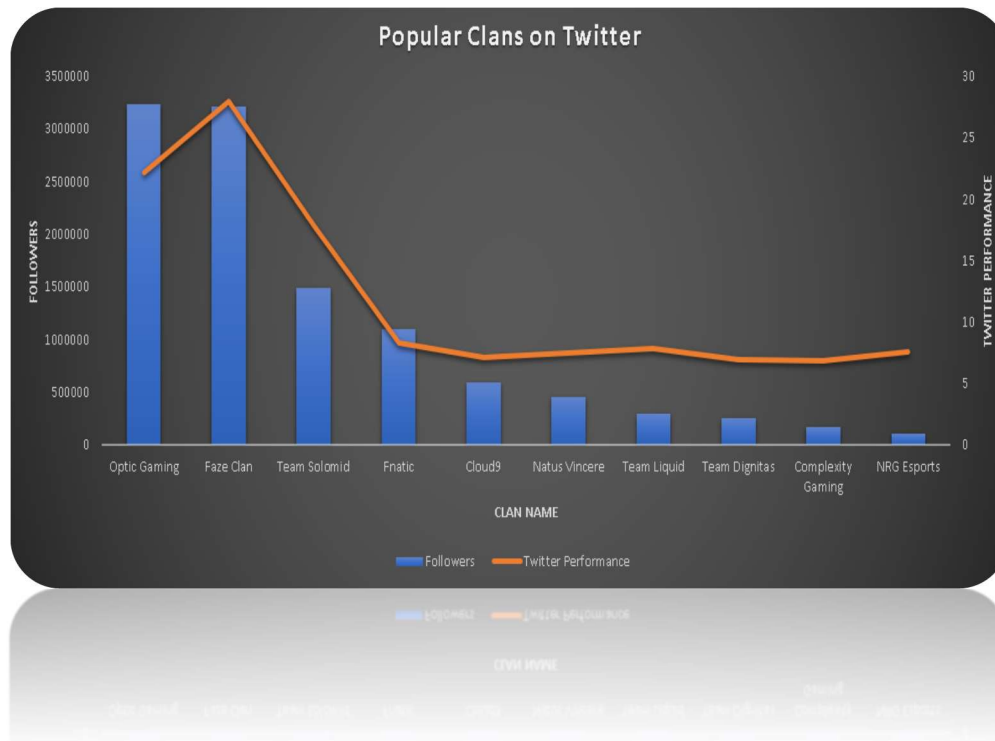


Figure 7 – Popular clan on Twitter

Investment

After reviewing the overall growth in the gaming industry, there are a lot of start-ups with innovative mind and out of the box thinking. Those valuable ideas have to reflect in the growing gaming industry. Being a start-up, the capital needs investment to implement those innovative ideas which can revolutionize the gaming industry.

Some of the famous investors are Tencent Holdings, Bluehole Studio, Actoz Ssoft, Premier Partners, Shunwei Capital, Qiming Venture Partners, Google, Alpha X Capital, Pantera Capital, Draper Dragon, Blockchain Capital, Mark Cuban, Brock Pierce and many more. According to the Esports Observer, Tencent Holdings invests a lot of money into multiple small-scale start-ups such as Douyu TV, Huya TV and Shanda Games. The investment holds a solid ground in future as the events will

be casted live on following TV channel start-ups. The funding type differs from venture, corporate and capital raise. The below figure shows the grand amount raised by the investee to execute their ideas. Douyu TV has raised the highest amount of \$632 Million. OPSkins is a marketplace to trade virtual skins used by esports players during the game play. Most of them are game development company such as Kakao games (\$130M), Pocket games(\$90M) and Shanda games (\$474M).

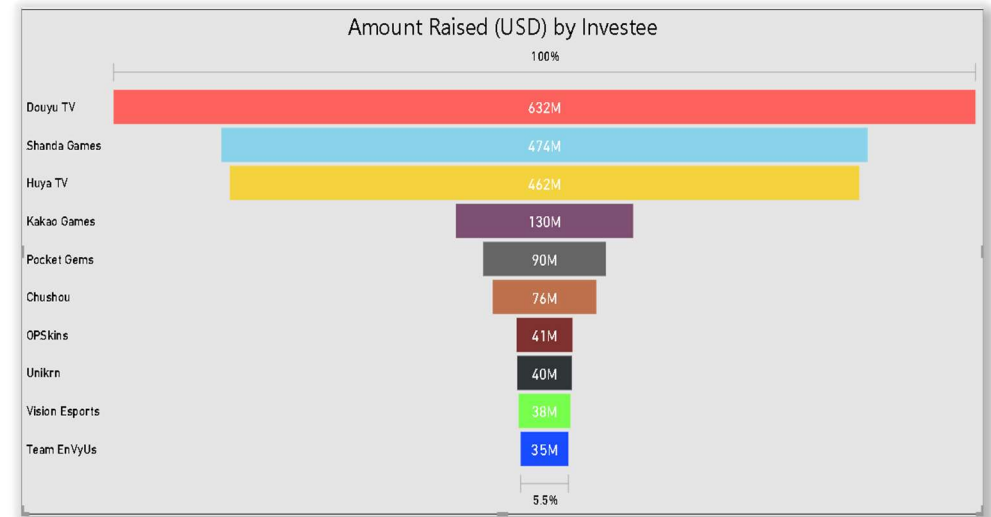


Figure 8 – Amount invested in companies

The company with largest investment is Tencent with a total of 6 investment record. Modern times group holds second position in the highest investment competition. SANNPA, Y Combinator, Millennial Esports, ESforced holding and Sapinda group hold a record of two investment whereas rest of the investors have invested on a single company. The recorded number of investment shows the curiosity of huge companies to invest in projects which are going to rock the gaming industry in near future.

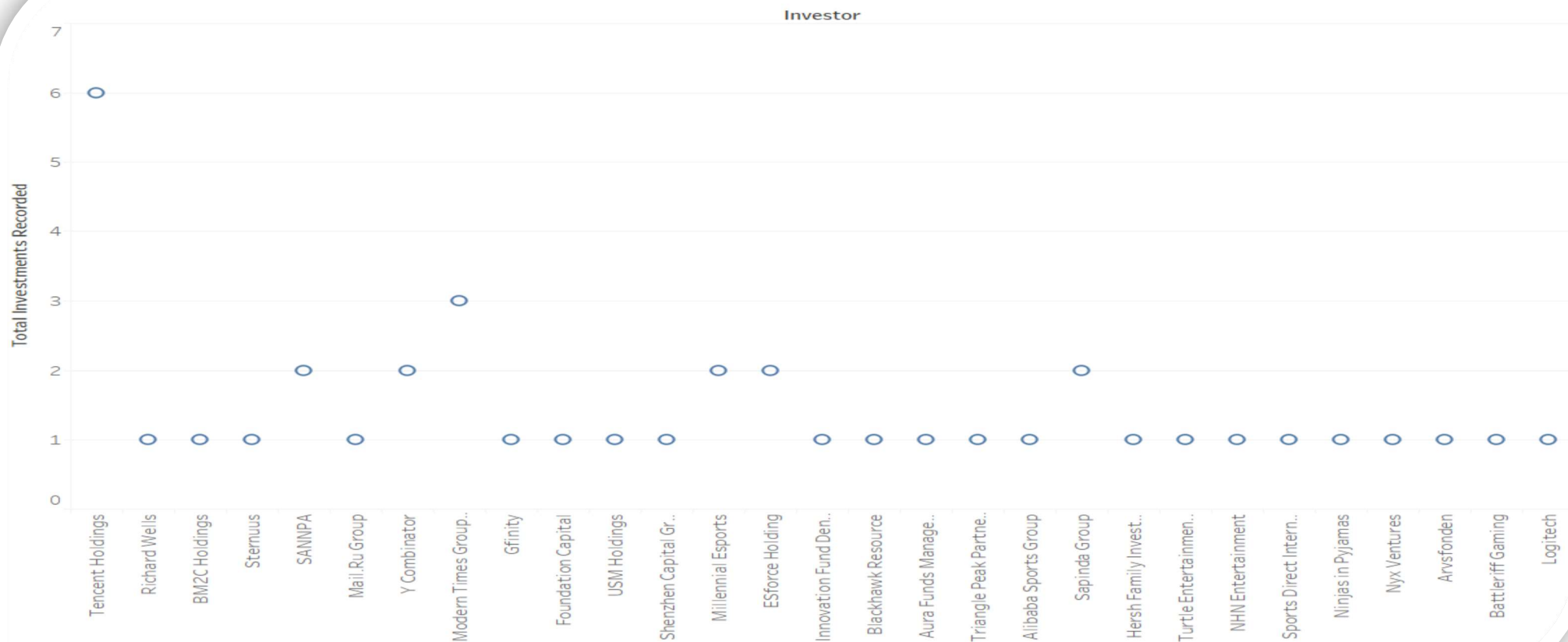


Figure 9 – Number of investment made by companies

Career & Earnings:

After putting all the efforts for arranging huge esports events by sponsors, event managers and investors there comes a question like how much does an esports athletes earn? Esports industry is ruled by teenagers. The skills required to boost a career in esports requires a lot of

concentration, high reflexes, problem solving skills, decision power and much needed boot camp for experience. There is numerous question when an individual start thinking of esports as a career option. The below reports give the answers to the questions such as How much money can we earn from particular game? Which games are highly rated? How much can team actually earn out of playing games?

Game earning

Each and every e-sports game are expanding and getting explored by different gamers. The competition level in esports games is grown rapidly in just past few years. The tournaments are organized for each e-sports games where depending on the sponsors and investment the prize

money is decided. As for now, the e-sport game which has topped the chart is DOTA 2 with \$143,768,443 earnings and 931 tournaments organized all around the world. Counter Strike is a first person shooting game ranking 2nd with total earning of \$56,356,360 and 3288 tournaments organized.

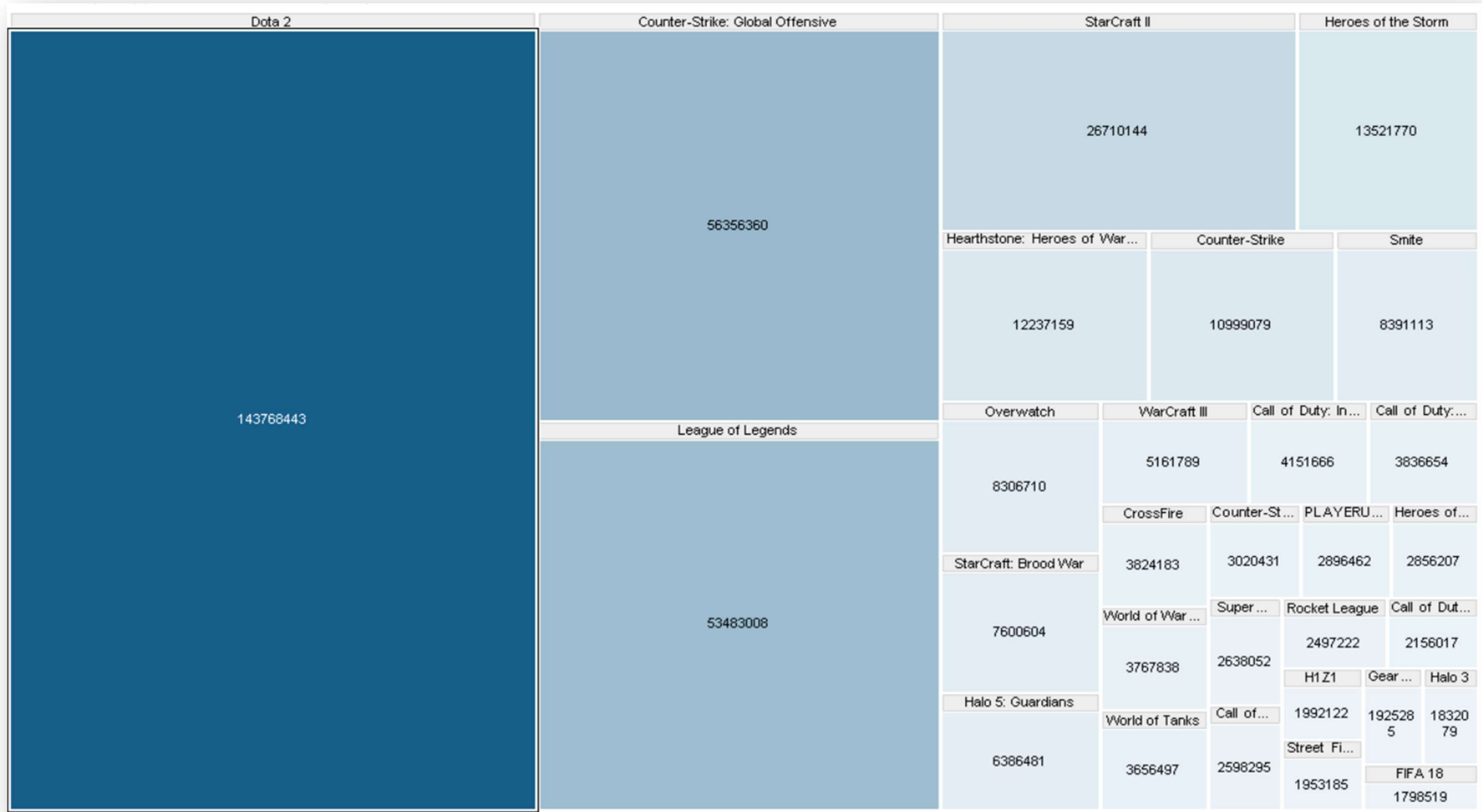


Figure 10 – Total revenue earned by games

Team Earning:

Team Liquid is the highest earning clan in the e-sports industry with estimation of around \$20 Million from 1222 tournaments. These figures are just based on the income gained from tournaments. The overall earnings are way better than what is shown. The individual can earn from streaming, podcasting tips, branding gaming products and many other ways. In the list of all those clans, wings gaming is ranked on 6th position with earnings of \$9,718,638 from 22 tournaments which is a great achievement.

Team Liquid	Newbee	Wings Gaming	Natus Vincere	Invictus Gaming	Cloud9
20425434	12669609	9718638	7506473	7447287	6755853
Evil Geniuses	Fnatic	LGD Gaming	Team OG	MVP	Team EnVyUs
17228222	10923018	8717828	6324997	5877485	5636801
	Virtus.pro	SK Telecom T1	Team Secret	Samsung	FaZe Clan
	10081211	8555629	5910166	5255289	3730334
		Vici Gaming	OpTic Gaming	Digital Chaos	CDEC Gaming
		8184086	5885428	4397588	3557181
				Alliance	EHOME
				4116558	G2 Esports
					Astralis (Dani...
					3388460
					2954227
					2936702
					mousesports
					Team Dignitas
					Counter Logi...
					3205725
					2858826
					2853038

Figure 11 – Revenue earned by Esports Team



Figure 12 – Syed Sumail "Sumail" Hassan

Inspirational Story:

Syed Sumail "**Sumail**" Hassan a 19year old boy who made his career in esports industry at the age of 15. He is involved in DOTA 2 gaming and featured in Time Magazine's top 30 influential teenagers of 2016. He currently plays for Evil Geniuses clan which is located in United States of America. In his early days, he sacrificed his bike for playing DOTA 2 game to pay in cyber. He belongs to Karachi, Pakistan where esports is not much popular. He started playing DOTA 2 at the age of 8 and was professionally skilled by the age of 15. His gaming revenue is estimated at \$2,720,868 and counted as one of the wealthiest player in the esports history.

Conclusion:

The overall evolution of esports gaming industry was depicted with different visualizations. The global market of the gaming industry was visualized to show exact earning of different countries. Competition between gaming companies and huge chunk of profits was displayed to identify the potential points of gaming industry. Various popularity platform was discussed with fan following figures. Big investment companies along with investee was shown. Lastly, career options and skills were highlighted for young aspirants who dreams of setting their career with esports industry.

References:

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