ESPORTS MARKET
AN IN DEPTH ANALYSIS FROM 1981 - 2022
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INTRODUCTION

The Esports industry once considered a niche pastime, has rapidly transformed into a global cultural phenomenon. What began as competitive gaming gatherings in arcades and small venues has grown into colossal events filling stadiums, captivating millions of viewers worldwide. Esports encompasses competitive video gaming across a spectrum of genres and platforms, drawing in players and audiences from diverse backgrounds. Its allure lies in the convergence of cutting-edge technology, competitive spirit, and the ability to transcend geographical barriers through online connectivity. The industry has seen exponential growth in sponsorships, media rights, and investment, with major players like RedBull, Disney, Coca-Cola, Mercedes, BMW, and NBA teams, among many others, propelling Esports into the mainstream spotlight and solidifying its position as a lucrative and influential alternative to conventional sports.

This study aims to visualize the growth of this industry, encompassing factors such as prize pools, game releases, and player participation. To conduct this analysis, I utilized publicly available datasets from Kaggle, specifically 'generalesportsdata' containing game titles, release years, and earnings, and 'historicalesportsdata' providing tournament specifics such as dates, earnings, player counts, and tournament volumes. To conduct this analysis, I commenced with data cleaning and refining procedures using SQL. Subsequently, I crafted specific queries to extract valuable insights. Finally, these findings were transformed into visual representations using Tableau.

My motivation for this project extended beyond data manipulation and visualization. I was driven by a genuine interest in uncovering the underlying dynamics and trends shaping the Esports landscape. This analysis aims not just to shed light on the industry's past but also to offer insights into its current state and potential future trajectories.

DATA ANALYSIS

Questions to answer, the guide to this analysis to create a cohesive story:

- Gain an overview of the industry's evolution by visualizing prize pools, tournament counts, and player base growth.
- Assess the dominance of top games and their impact on the entire industry.
- Analyze the evolution of the player base.
- Compare the development of the esports industry with the yearly releases of esports games, drawing connections between them.
- Visualize the distribution across game genres.
- Break down the trends and changes of the past five years in the industry.

In this study, my focus was on the following key variables:

- Number of tournaments
- Game release dates
- Total prize pools
- Number of players
- Tournament dates

Upon laying out my roadmap, I commenced the data-cleaning process. This dataset required several minor adjustments, including filtering, disregarding null values, and refining data names and formats.

Important note: this database only has data until October of 2023, which is why we will focus this analysis only until 2022.

[SQL CODE]

EVOLUTION OF NUMBER OF TOURNAMENTS, PLAYERS IN TOURNAMENTS, PRIZE POOL
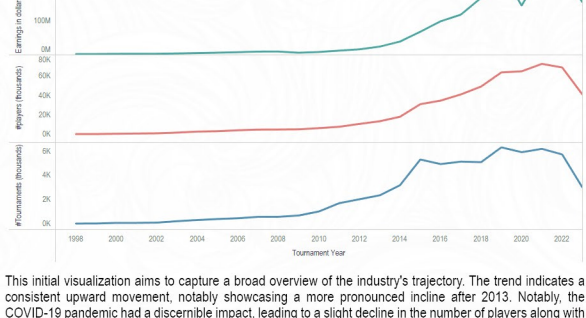

This initial visualization aims to capture a broad overview of the industry's trajectory. The trend indicates a consistent upward movement, notably showcasing a more pronounced incline after 2013. Notably, the COVID-19 pandemic had a discernible impact, leading to a slight decline in the number of players along with a temporary plateau in the number of tournaments and prize pools. Despite these effects, the market sustained its tournament activities with some limitations, showcasing resilience during challenging times.

### TOP GAMES ANALYSIS - BY PRIZE POOL
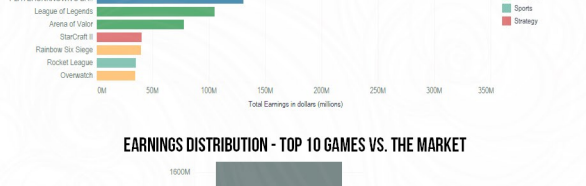
EARNINGS DISTRIBUTION - TOP 10 GAMES VS. THE MARKET
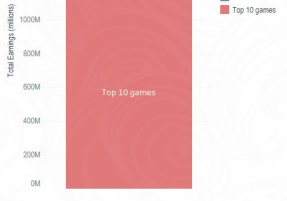
The leading positions in the top 10 games are dominated by Dota 2, Fortnite, Counter-Strike, PUBG, and League of Legends. Notably, genres such as MOBA (Multiplayer Online Battle Arena), FPS (First-Person Shooter), and Battle Royale prominently feature among these top-ranking games.

Highlighting the market's top-heavy nature, the top 10 games collectively account for 6 9% of the total prize pools, while the remaining market comprises only 31%. This concentration emphasizes the significant influence and concentration within this select group of games.

EARNINGS DISTRIBUTION BY GENRE
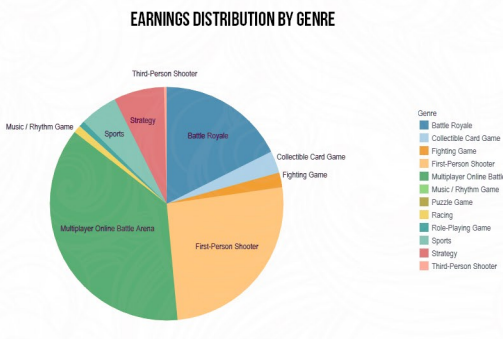
NUMBER OF TOURNAMENTS BY GENRE

As evident from the preceding visualization, a significant portion of the market earnings is dominated by MOBA, FPS, and Battle Royale genres. This prominence isn't solely due to the competitive nature inherent in these genres but also because these three categories tend to design their games with esports in mind right from their conception.

It's crucial to note the significant contrast within genres like Strategy, Sports, and Fighting games concerning the number of tournaments they host in comparison to their earnings. Particularly, Fighting games hold a pivotal role as one of the earliest influencers in shaping esports as an industry. Despite their historical significance, their revenue doesn't align proportionally with the volume of tournaments, this discrepancy can be attributed to various factors such as differential marketing investments, being games that have a steeper learning curve and not that appealing to a wider audience, and several other influencing variables.

Moreover, it's essential to recognize that the quantity of tournaments doesn't always directly correlate with success. Some titles within esports, like Fighting games, organize their competitive circuits into leagues and extended yearly formats. For instance, consider the League of Legends Spring and Summer splits, each lasting around seven months, featuring fewer tournaments but with substantial viewership and extended sessions. In contrast, other titles might have more frequent but shorter tournaments, which may not necessarily yield the same viewership or engagement.

Worth highlighting as well the discrepancy within titles like Strategy, Sports, and Fighting games, given the large amount of tournaments these genres have, in comparison with their revenue. Specifically Fighting games since these were one of the biggest precursors for the development of esports as an industry.

EARNINGS BY RELEASE DATE
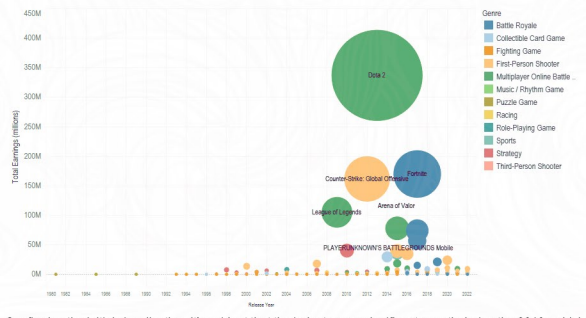
Confirming the initial visualization, it's evident that the industry saw significant growth during the 2010s which is the biggest 'boom' of this market, marked by the emergence of the biggest games in terms of substantial prize pools in this period.

RELEASES PER YEAR
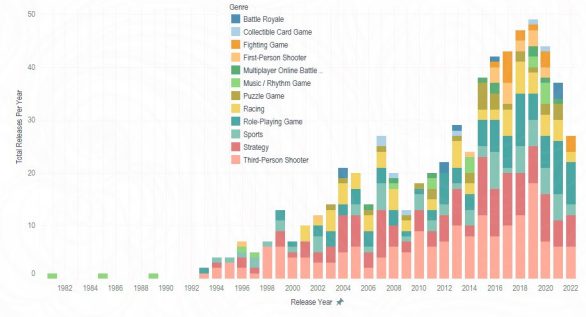
Through this visualization, my aim was to support the hypothesis that the success of esports is intricately linked to the expansion of the broader gaming market. There's a discernible connection evident when considering the number of game releases per year.

It's particularly noteworthy to emphasize the frequency of releases in genres like Fighting games, FPS, and Sports games. This can be attributed to their history of having numerous early titles, such as FIFA 2011, 2012, and so on, or even more recent ones like UFC 2020 and 2021.

FINAL CONCLUSIONS

- The esports industry displays a top-heavy structure, with a select few games monopolizing the majority of the overall prize money.

- As anticipated, First-person shooters (FPS), MOBAs (Multiplayer online battle arena), and Battle Royale genres boast the largest prize pools, given their deliberate development for success in esports.

- The correlation between the number of tournaments and the overall increase in total prize pools is not always straightforward, as some titles follow specific competitive circuits bearing their prize pools on their biggest tournaments.

- Examining game releases, there is an evident overall growth in the industry, mirroring its expansion. Notably, there is a distinct spike in games released during the 2010s, particularly in terms of prize pools.

- The industry is on an upward trajectory across major metrics such as the number of players, tournaments, and prize pools. This trend is observable throughout the frequent involvement of sponsorships and investors. Despite a slight slump during the COVID-19 pandemic, monitoring the next few years is crucial to assess the industry's recovery.

THANK YOU