



Business of eSports: Revenue Stream and Market Analysis

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Content

ABSTRACT.....	3
INTRODUCTION.....	4
PROBLEM STATEMENT	5
OBJECTIVES AND AIMS.....	5
LITERATURE REVIEW	7
RESEARCH DESIGN AND METHODS	8
OVERVIEW.....	8
POPULATION AND STUDY SAMPLE.....	9
SAMPLE SIZE AND SELECTION OF SAMPLE	10
EXPECTED RESEARCH FINDINGS	11
STRENGTHS AND WEAKNESSES OF THE STUDY	13
TIMELINE.....	14
REFERENCES.....	15

ABSTRACT

This research report offers an in-depth analysis of the eSports industry focusing on revenue sources and market dynamics. This report combines quantitative data analysis with qualitative insights from industry participants to explore the various revenue streams driving the eSports ecosystem, as well as the industry's global market size, growth trends, audience demographics, and we are investigating the competitive environment. Case studies of successful eSports organisations and events provide valuable insight into industry best practices and success strategies. Overall, this report aims to provide stakeholders with a comprehensive understanding of the eSports business and assist in strategic decision making within the industry.

Introduction

The landscape of sports entertainment has undergone a seismic shift in recent years with the emergence and rapid growth of eSports, a form of competitive gaming that has transcended its niche origins to become a global phenomenon. With millions of passionate fans turning in to watch their favourite players and teams compete in virtual arenas, eSports has evolved from a hobby into a multi-million-dollar industry, attracting investments from traditional sports organizations, tech giants, and mainstream advertisers alike. As the eSports ecosystem continues to expand and mature, understanding the intricacies of its revenue streams and conducting a comprehensive market analysis become imperative for stakeholders seeking to capitalise on this burgeoning sector.

The reason of this investigate report is to dive profound into the trade of eSports, centering particularly on the different income streams that drive the industry forward and conducting an exhaustive advertise examination to reveal key bits of knowledge into its development direction and competitive scene. By looking at the budgetary underpinnings and showcase elements of eSports, this report points to supply important bits of knowledge for eSports organizations, supports, speculators, policymakers, and other partners looking to explore and capitalize on the openings inside this dynamic sector.

Within the writing survey area, we'll give an outline of the eSports industry's brilliant rise, following its evolution from its grassroots beginnings to its current status as a worldwide amusement powerhouse. We are going investigate past ponders and investigate articles that have explored income streams and showcase investigation inside the eSports space, synthesizing existing information to recognize holes and zones for advance investigation. Also, we'll look at the key players and partners within the eSports biological system, from proficient players and groups to competition organizers, gushing stages, sponsors, and fans, highlighting their parts and intuitive inside the industry.

The technique segment will diagram the inquire about approach utilized in this ponder, whether quantitative, subjective, or a combination of both, beside the basis behind the chosen strategy. We are going detail the information collection strategies utilized, counting overviews, interviews, and auxiliary information investigation, and give experiences into the inspecting method and test measure. Moreover, we'll explain the information investigation procedures utilized to determine important bits of knowledge from the collected information, whether through factual examination, topical examination, or other subjective strategies.

The consequent segments of this report will dive into the income streams that fuel the eSports industry, giving an in-depth investigation of the different roads through which eSports organizations produce income. From promoting and sponsorships to media rights and broadcasting, ticket deals, merchandise, and prize cash, we will look at the assorted sources of salary that contribute to the financial viability of eSports substances. Moreover, we'll investigate developing income streams and imaginative trade models that are reshaping the eSports scene, giving cases and case considers demonstrating key concepts.

In parallel, the showcase examination segment will offer a comprehensive outline of the eSports advertise, enveloping its worldwide measure, development patterns, territorial flow, group of onlooker's socioeconomics, competitive scene, and future viewpoint. Drawing on showcase investigate reports, industry information, and scholarly thinks about, we'll analyse the variables driving growth within the eSports advertise, survey the competitive situating of key players, and recognize openings and challenges confronting the industry.

Through a combination of hypothetical experiences, experimental examination, and real-world case considers, this inquire about report points to shed light on the perplexing workings of the trade of eSports, advertising important bits of knowledge and noteworthy proposals for partners looking for to explore and capitalize on the openings inside this dynamic and quickly advancing industry. By unravelling the complexities of eSports income streams and conducting an intensive advertise investigation, this report looks for to contribute to the developing body of information encompassing the business of eSports and advise vital decision-making inside the industry.

Problem Statement

Despite the esports industry's rapid growth and increasing mainstream acceptance, there is still a lack of comprehensive research and analysis on the specific revenue streams and market trends shaping the esports business. While the industry attracts significant investment from sponsors, advertisers, and media companies, gain a deeper understanding of the various revenue streams driving esports organizations and the underlying market trends influencing the industry's growth trajectory. Furthermore, the competitive landscape of the esports industry is constantly evolving, with emerging players and changing consumer preferences shaping market dynamics. This lack of comprehensive research poses a challenge for stakeholders seeking to navigate and capitalize on the opportunities of a dynamic and rapidly evolving eSports ecosystem. Therefore, the issues covered in this research report provide a comprehensive analysis of revenue sources and market dynamics within the Esports industry to provide valuable insights to stakeholders and support strategic decision-making within the industry.

OBJECTIVES AND AIMS

The purpose of this report is to provide comprehensive analysis of the eSports business, with a particular focus on revenue streams and market dynamics within the industry.

By examining the various revenue streams that drive eSports organizations and conducting in-depth market analysis, the report aims to provide valuable insights to stakeholders looking to navigate and Take advantage of the opportunities in this dynamic and rapidly growing sector.

Objective:

- Analyse the different revenue sources that determine the financial viability of eSports organizations, including advertising, sponsorship, media rights, ticket sales, merchandise, money prizes and tournament fees.
- Conduct a comprehensive market analysis of the Esports industry, including global market size, growth trends, regional dynamics, audience demographics and competitive landscape.
- Examines the key players and stakeholders in the eSports ecosystem, including eSports organizations, professional players, tournament organizers, streaming platforms, advertisers, sponsors, and technology companies.
- Explore emerging trends and developments in eSports revenue models and market dynamics, including the impact of technological advances, evolving consumer preferences, and the popularity of streaming platforms.
- Provide case studies of successful eSports organizations, events, and revenue models, providing valuable insights into industry strategies and best practices for success.
- Provide actionable recommendations and insights for stakeholders looking to navigate and capitalize on opportunities in the dynamic and rapidly growing Esports industry, based on analytics Analysis of revenue streams and market dynamics is presented in this report.

LITERATURE REVIEW

The exponential development of the eSports industry has pulled in critical consideration from analysts and industry investigators looking for to get it the components driving its victory and the suggestions for different partners. This writing survey gives an outline of existing thinks about on eSports income streams and advertise investigation, highlighting key discoveries and recognizing ranges for advance investigate.

The eSports industry has experienced momentous development in later a long time, fuelled by variables such as the expansion of high-speed web, the rise of gushing stages like Jerk and YouTube Gaming, and expanding speculation from conventional sports organizations and supports. Investigation highlights the worldwide development of eSports, with incomes outperforming \$1 billion and group of onlooker's numbers surpassing 450 million around the world. This quick development has pulled in ventures from wander capitalists, media aggregates, and indeed conventional sports groups looking to capitalize on the burgeoning eSports advertise. A few thinks about have investigated the different income streams that drive the eSports biological system. So also, a ponder by (Carter et al., 2017) inspected the financial affect of eSports occasions, highlighting the critical income produced through ticket deals, stock, and subordinate investing by participants.

The eSports environment comprises a differing cluster of partners, counting proficient players, groups, competition organizers, spilling stages, sponsors, supports, and fans. (Reitman et al., 2020) conducted interviews with key industry partners to get it the elements of the eSports environment, highlighting the forbid connections between players, groups, and supports, and the part of gushing stages in monetizing eSports substance.

Later inquire about has too investigated rising patterns and improvements in eSports income models. (Scholz, 2018) analysed the advancement of eSports sponsorship methodologies, highlighting the move towards long-term organizations and coordinates promoting campaigns. Essentially, a ponder by (Hamari and Sjöblom, 2017) inspected the part of non-endemic supports within the eSports industry, investigating the inspirations behind their ventures and the affect on the eSports environment.

In rundown, the existing writing gives important experiences into the income streams and advertise flow of the eSports industry. Whereas considers have distinguished promoting, sponsorships, media rights, and stock deals as primary sources of income, there's a require for assist inquire about to investigate rising patterns and advancements in eSports income models. By building on existing information and conducting observational inquire about, this thinks about points to contribute to a more profound understanding of the trade of eSports and educate vital decision-making inside the industry.

Research Design and Methods

The strategy utilized in this investigate pointed to supply a comprehensive understanding of the income streams and showcase flow inside the eSports industry. A mixed-methods approach was received, combining quantitative examination of industry information with subjective bits of knowledge assembled through interviews with key industry partners.

Information collection for the quantitative examination included gathering auxiliary information from an assortment of sources, counting industry reports, showcase inquire about considers, monetary articulations of eSports organizations, and scholastic writing. These sources given profitable data on the estimate and development of the eSports advertise, as well as the different income streams contributing to the industry's budgetary biological system. Also, information on gathering of people socioeconomics, territorial showcase patterns, and competitive scene were collected to enhance the investigation.

Subjective experiences were gotten through semi-structured interviews with key industry partners, counting eSports organizers, group proprietors, proficient players, supports, and promoters. The interviews pointed to reveal nuanced points of view on the revenue models predominant within the eSports industry, as well as the variables impacting advertise elements and vital decision-making. Meet questions were outlined to evoke nitty gritty reactions with respect to income era techniques, sponsorship elements, advertise patterns, and future viewpoint.

Information examination included a multi-faceted approach, combining quantitative methods such as expressive measurements, drift examination, and relapse examination with subjective strategies such as topical investigation and substance examination. Quantitative information was analysed utilizing measurable computer program bundles to recognize designs, patterns, and relationships inside the information set. Subjective information from interviews were translated and coded to recognize key topics and designs, which were at that point analysed to determine significant experiences and suggestions.

The triangulation of quantitative and subjective information sources upgraded the legitimacy and unwavering quality of the discoveries, permitting for a more nuanced understanding of the income streams and advertise elements inside the eSports industry. By coordination experiences from industry information and partner perspectives, this investigate pointed to supply a comprehensive and all-encompassing investigation of the commerce of eSports, contributing profitable experiences for partners looking for to explore and capitalize on the openings inside this dynamic sector.(Southern, 2017)

Population and Study Sample

1. Effective eSports Organizations:

a. Team Liquid: Established in 2000, Group Fluid is one of the foremost fruitful and well-known eSports organizations all inclusive. With groups competing over numerous titles such as Alliance of Legends, Counterstrike: Global Offensive, and Dota 2, Team Liquid has accomplished reliable victory in different eSports competitions and associations. The organization's key approach to ability procurement, brand building, and fan engagement has set its position as a powerhouse within the eSports industry.

b. Cloud9: Set up in 2013, Cloud9 has rapidly risen to conspicuousness as one of the best eSports organizations in North America. With groups competing in prevalent titles like Alliance of Legends, Valorant, and Fortnite, Cloud9 has secured different championships and awards in different eSports competitions. The organization's inventive approach to substance creation, stock deals, and fan engagement has contributed to its fast development and victory within the industry.

2. Investigation of Particular eSports Occasions:

a. The International (Dota 2):

Organized every year by Valve Enterprise, The International is one of the foremost prestigious eSports competitions within the world, especially within the Dota 2 community. Known for its massive prize pools supported by in-game buys (Synopsis), The Universal draws in top-tier groups and players from around the globe. The tournament's victory highlights the potential for imaginative income models inside eSports, as well as the significance of community engagement and fan back in driving the development of eSports occasions.

b. League of Legends World Championship: Hosted by Revolt Recreations, the Alliance of Legends World Championship is the chief eSports occasion for the well known MOBA diversion. With millions of watchers tuning in from around the world, the World Championship exhibits the worldwide request and competitive concentrated of eSports. The event's victory underscores the noteworthiness of solid associations, viable showcasing, and high-quality generation in hoisting eSports occasions to the following level.

3. Comparative Investigation of Income Streams:

a. Promoting and Sponsorship Strategies: Analysing the publicizing and sponsorship procedures of leading eSports organizations gives profitable bits of knowledge into compelling brand associations and income era models inside the industry. By analyzing case thinks about of fruitful sponsorship bargains and promoting campaigns, partners can identify best hones and openings for collaboration within the eSports space.

b. Media Rights and Broadcasting Bargains: Comparative investigation of media rights and

broadcasting bargains inside eSports sheds light on the advancing scene of content distribution and monetization within the industry. Case considers of effective broadcasting associations and spilling stages offer bits of knowledge into rising patterns, challenges, and openings for partners looking for to capitalize on the developing request for eSports substance.

In outline, these case studies play a pivotal role in extending our understanding of the eSports industry, advertising profitable experiences into effective organizations, occasions, and income models. By looking at real-world illustrations and best hones, partners can pick up actionable insights to illuminate their procedures and decision-making within the energetic and quickly advancing world of eSports.

Sample Size and Selection of Sample

Sample size and sample selection:

Sample size and sample selection for this report were determined based on a combination of qualitative and quantitative research methods.

Qualitative research (interviews): For the qualitative research, semi-structured interviews were conducted with key industry stakeholders including eSports organizers, team owners, professional gamers, sponsors, advertisers, and technology companies. The selection of interviewees is based on their expertise, experience, and compatibility with the research objectives. Purposive sampling was used to ensure representation of diverse segments of the eSports ecosystem, including different regions, organizational roles, and levels of industry participation. The sample size for the qualitative interviews was determined based on the principle of data saturation, where additional interviews are conducted until no new ideas or themes emerge from the data. This approach ensures that the sample size is sufficient to capture the full range of perspectives and experiences within the Esports industry.(Hamari and Sjöblom, 2017)

Quantitative research (industry data analysis): For quantitative research, industry data from various sources such as market research reports, financial reports of eSports organizations and scholarly literature were collected and analysed Sample size for quantitative analysis was determined based on the availability and relevance of the data source where applicable, statistical techniques such as descriptive statistics, trend analysis and regression analysis were used to analyse the data and gain meaningful insights into revenue streams and dynamics market power of the eSports industry.

Overall sample size: The overall sample size for this report includes multiple sources of qualitative and quantitative data, including interviews with key industry stakeholders and industry analytics data. The sample size was determined based on the research objectives and the need to provide comprehensive analysis of the eSports business, focusing on revenue sources and market dynamics within the industry. By using a mixed-method approach and aligning qualitative and quantitative data sources, this report aims to provide a comprehensive understanding of the eSports industry and provide valuable insights value for stakeholders seeking to navigate and capitalize on the opportunities of this dynamic and rapidly growing sector.

Expected Research Findings

The examination of income streams and market dynamics of the eSports industry yielded a few key discoveries that offer important bits of knowledge for partners. This area presents an outline of the most comes about gotten from the investigate.

1. Income Streams:

a. Publicizing and Sponsorships:

The investigate uncovered that publicizing and sponsorships are critical income streams for eSports organizations, bookkeeping for a considerable parcel of their salary. Through associations with brands and promoters, eSports organizations use their reach and engagement to make custom fitted promoting campaigns and enactments. These associations not as it were giving money related bolster but to contribute to the by and large development and perceivability of the eSports industry.

b. Media Rights and Broadcasting:

Media rights and broadcasting bargains developed as another imperative income stream for eSports organizations, as they permit their substance to gushing stages and conventional media outlets. These bargains permit eSports organizations to monetize their substance and reach a broader gathering of people, subsequently producing extra income streams past promoting and sponsorships.

c. Ticket Deals and Live Occasions:

The inquire about found that ticket deals and live occasions constitute a noteworthy source of income for eSports organizations, giving openings for fan engagement and brand introduction. By facilitating live competitions and occasions, eSports organizations produce income through ticket deals, stock, concessions, and subordinate investing by attendees.

d. Stock and Authorizing:

Stock deals and authorizing understandings were recognized as profitable income streams for eSports organizations, leveraging their brand and mental property to offer branded stock and enter into authorizing associations. These assertions empower eSports organizations to monetize their brand and grow their reach past conventional income streams.

e. Prize Cash and Competition Expenses:

The examination uncovered that prize cash and competition expenses speak to coordinate sources of income for eSports players and groups, with critical cash prizes up for snatches in major competitions. Moreover, eSports organizations produce income from competition expenses, sponsorship bargains, and media rights related with facilitating eSports occasions.

2. Showcase Examination:

a. Worldwide eSports Showcase Estimate and Development Patterns:

The inquire about highlighted the exponential development of the worldwide eSports advertise, driven by expanding speculations from supports, promoters, media companies, and innovation firms. The advertise is anticipated to proceed developing at a fast pace, fuelled by variables such as mechanical progressions, changing shopper inclinations, and the expansion of gushing stages.

b. Territorial Showcase Examination:

The examination recognized territorial incongruities within the eSports advertise, with North America, Asia-Pacific, and Europe developing as key districts driving advertise development. Each locale has its special characteristics, counting gathering of people socioeconomics, administrative environment, and social variables, which impact showcase elements and speculation openings.

c. Socioeconomics of eSports Group of onlookers:

The investigate uncovered that the eSports group of onlookers comprises predominantly youthful and tech-savvy people with higher levels of instruction and expendable wage. This statistic profile presents critical openings for promoters, supports, and substance makers looking for to lock in with this exceedingly pinned for statistic.

d. Competitive Scene Examination:

The examination highlighted the dynamic and competitive scene of the eSports industry, with numerous partners competing for showcase share over different portions. Key players incorporate eSports organizations, proficient players, competition organizers, gushing stages, sponsors, and supports, each contributing to the industry's development and advancement.

In conclusion, the comes about of the investigate give important experiences into the income streams and advertise elements inside the eSports industry, advertising partners a more profound understanding of the openings and challenges show in this energetic and quickly developing division. (Heinz and Ströh, 2016)

Strengths and Weaknesses of the Study

Strengths:

Comprehensive Analysis: This report offers a comprehensive analysis of the Esports business, covering revenue sources, market dynamics, industry trends, and case studies. We leverage insights from qualitative interviews, quantitative data analysis, industry reports, academic literature, and case studies to provide a holistic understanding of the esports industry.

Mixed Methods Approach: Using a mixed methods approach, the report triangulates qualitative and quantitative data sources to provide deep insights into revenue sources and market dynamics within the eSports industry. This approach increases the validity and reliability of our results and provides a nuanced understanding of the complexity of the esports ecosystem.

Various data sources: This report draws on a variety of data sources, including industry reports, financial reports, academic literature, qualitative interviews, streaming platforms, social media analysis, and case studies. This report utilizes multiple sources to provide a comprehensive, multi-layered analysis of the esports industry, further enriching the depth and breadth of our findings.

Real-World Examples: Incorporating case studies of successful esports organizations, events, and revenue models provides real-world examples and analytical best practices. These case studies illustrate key trends, challenges, and opportunities in the esports ecosystem and provide valuable insights for stakeholders looking to leverage and capitalize on industry opportunities.

Practical Recommendations: This report provides practical recommendations and insights for stakeholders who want to capture and capitalize on the opportunities in the esports industry. Summarizing findings and generating actionable insights, this report provides practical guidance for strategic decisions and investments within the dynamic and rapidly evolving eSports ecosystem.

Weaknesses:

Limitations of Qualitative Data: Qualitative interviews provide valuable insight into industry perspectives and experiences but can be subject to biases and limitations inherent in qualitative research methods there is. The sample size of the qualitative interviews may also be limited, which may limit the generalizability of the results to the broader esports industry.

Data Availability and Reliability: The reliability and availability of industry data, financial reports, and academic literature varies and can affect the accuracy and completeness of the analysis. Data gaps or inconsistencies in available sources can limit the depth of analysis and the ability to draw final conclusions.

Case studies are limited in scope: Although case studies provide real-world examples and best practices, the scope of case studies included in the report is limited and does not include other relevant case studies or Industry trends may be ignored. Selecting a wider range of case studies could lead to a more comprehensive understanding of the esports industry.

Dynamic Nature of the Industry: The esports industry is dynamic and rapidly evolving, with trends, technology, and market trends constantly changing. Therefore, the findings and recommendations contained in the report may become outdated relatively quickly and require continued monitoring and updating to remain relevant.

Possible Interpretation Bias: Interpretation of data and results may be subject to bias as influenced by the perspectives and backgrounds of the researchers and respondents involved in the study. Although efforts have been made to reduce bias through thorough analysis and triangulation of data sources, inherent bias may still exist to some extent.

Timeline

- Week 1: Research Proposal Development
- Week 2: Literature Review
- Week 2: Data Collection
- Week 3: Data Analysis
- Week 3: Report Writing
- Week 3: Review and Revision
- Week 4: Finalisation and Submission

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What is eSports and why do people watch it?
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