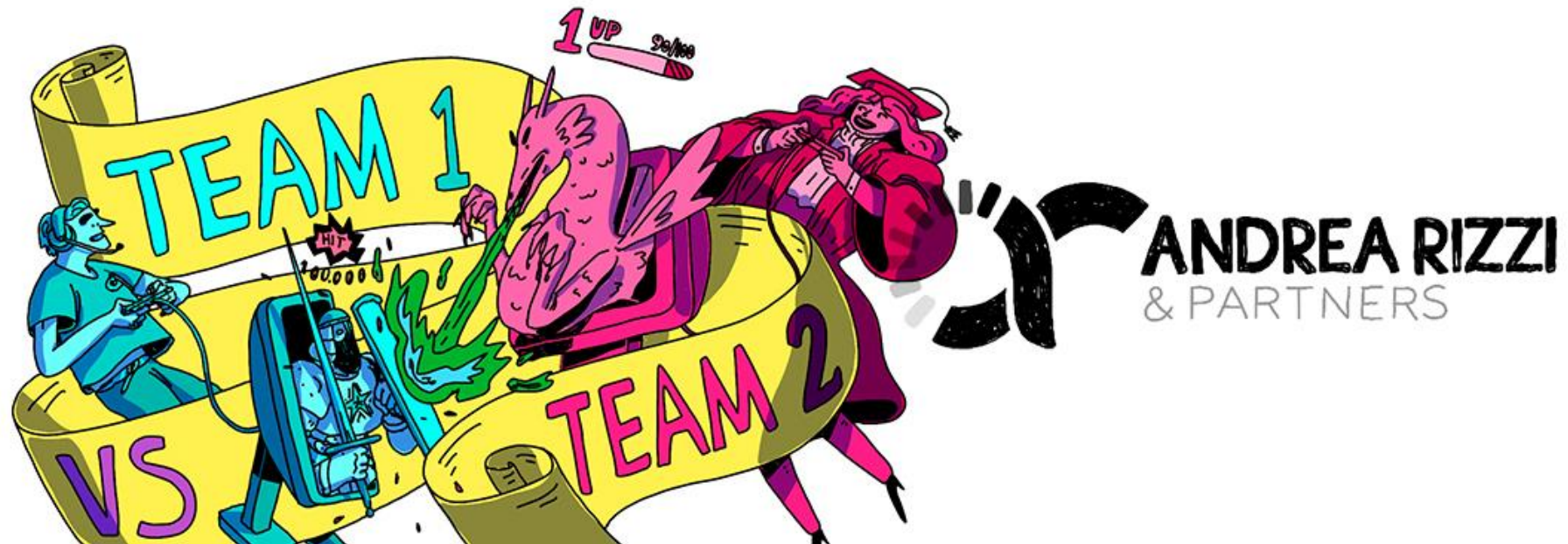


# Esports: an overview of a new(ish) frontier in digital entertainment

Queen Mary University of London, November 23rd, 2022 | Andrea Rizzi, Partner @



**The article: «Esports: an overview of a new(ish) frontier in digital entertainment»**

*By Andrea Rizzi and Francesco de Rugeriis, WIPO MAGAZINE*

What is AN esports and why do we care about it?



# What is an esports?

Definition: A multiplayer video game played competitively for people to watch as entertainment (Source: Oxford dictionary)

Terminology warning: esports may be confusing and misleading



Any videogame may be an esports



The importance of viewership for esports as an industry

Esports evolution: A not so recent gaming activity growing into a huge global business...

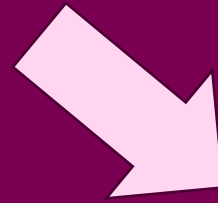


# why do we care about ESPOrts?

Because of its socio-economic significance



It's a billionaire business  
(but...)

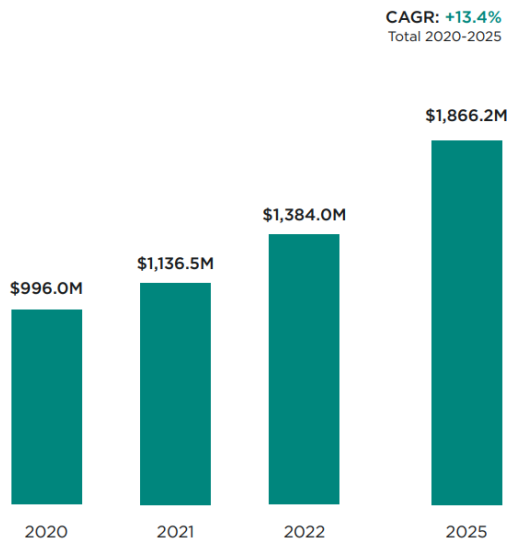


- Target audience: millennials + generation Z
- Content fruition: platforms + **Interactivity**

# why do we care about ESPOrts?

## Esports Revenue Growth

Global | 2020-2025

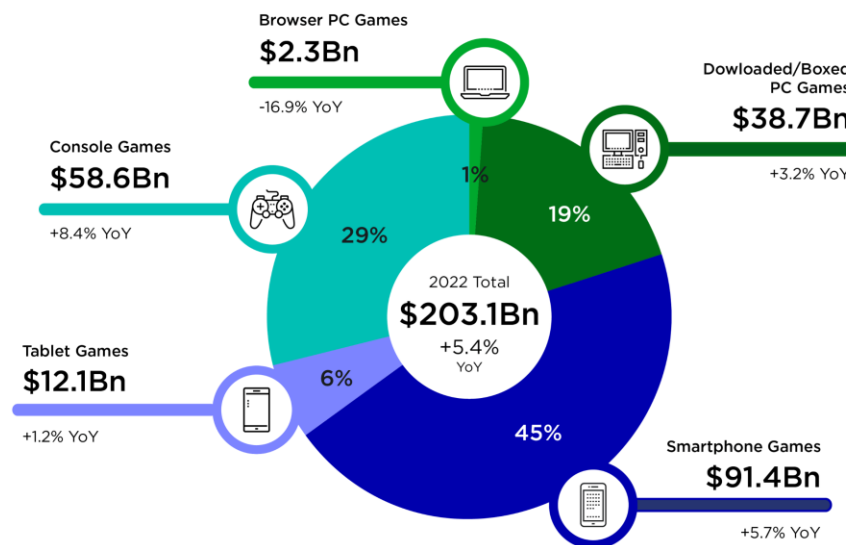


## 2022 Global Games Market

Per Segment With Year-on-Year Growth Rates

**\$103.5Bn**

Mobile game revenues in 2022 will account for 51% of the global market



Source: ©Newzoo | Global Games Market Report | April 2022  
[newzoo.com/globalgamesreport](https://newzoo.com/globalgamesreport)

Source: Newzoo 2022 Esports and Global Games report



# BRANDS *why esports are interesting for brands?*

## 1. Demographics: age / average wage



25yo  
**\$58.9k**



27yo  
**103.2k RMB**  
(\$16.3k)



25yo  
**£34.9k**  
(\$48.4k)



27yo  
**¥5.7m**  
(\$53.8k)



25yo  
**€34.0k**  
(\$42k)

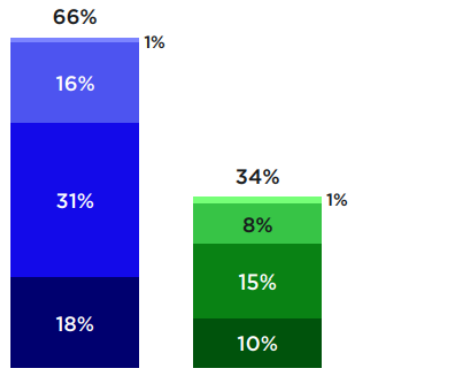


25yo  
**€27.7k**  
(\$34.3k)



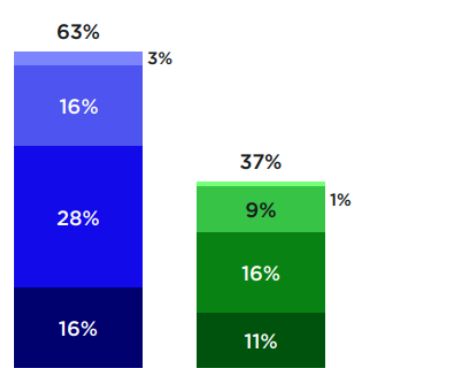
26yo  
**₩48m**  
(\$44.8k)

Age/Gender Esports Enthusiasts  
Global | 2021



Male ● 10-20 ● 21-35 ● 36-50 ● 51-65

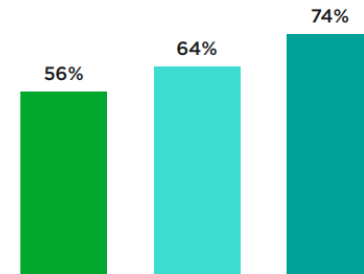
Age/Gender Occasional Viewers  
Global | 2021



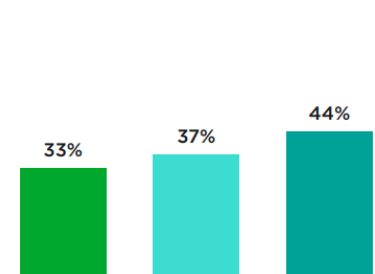
Female ● 10-20 ● 21-35 ● 36-50 ● 51-65

Demographics

Full-Time Job  
Global | 2021



High Household Income  
Global | 2021



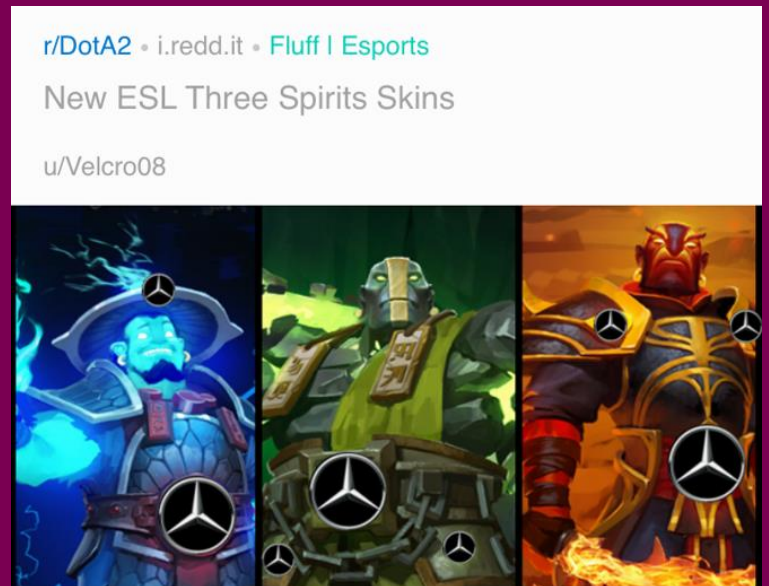
● Online Population ● Occasional Viewers ● Esports Enthusiasts



# BRANDS *why esports are interesting for brands?*

2. Hours dedicated to watching esports – otherwise difficult to reach

3. Creativity (which guarantees great exposure)







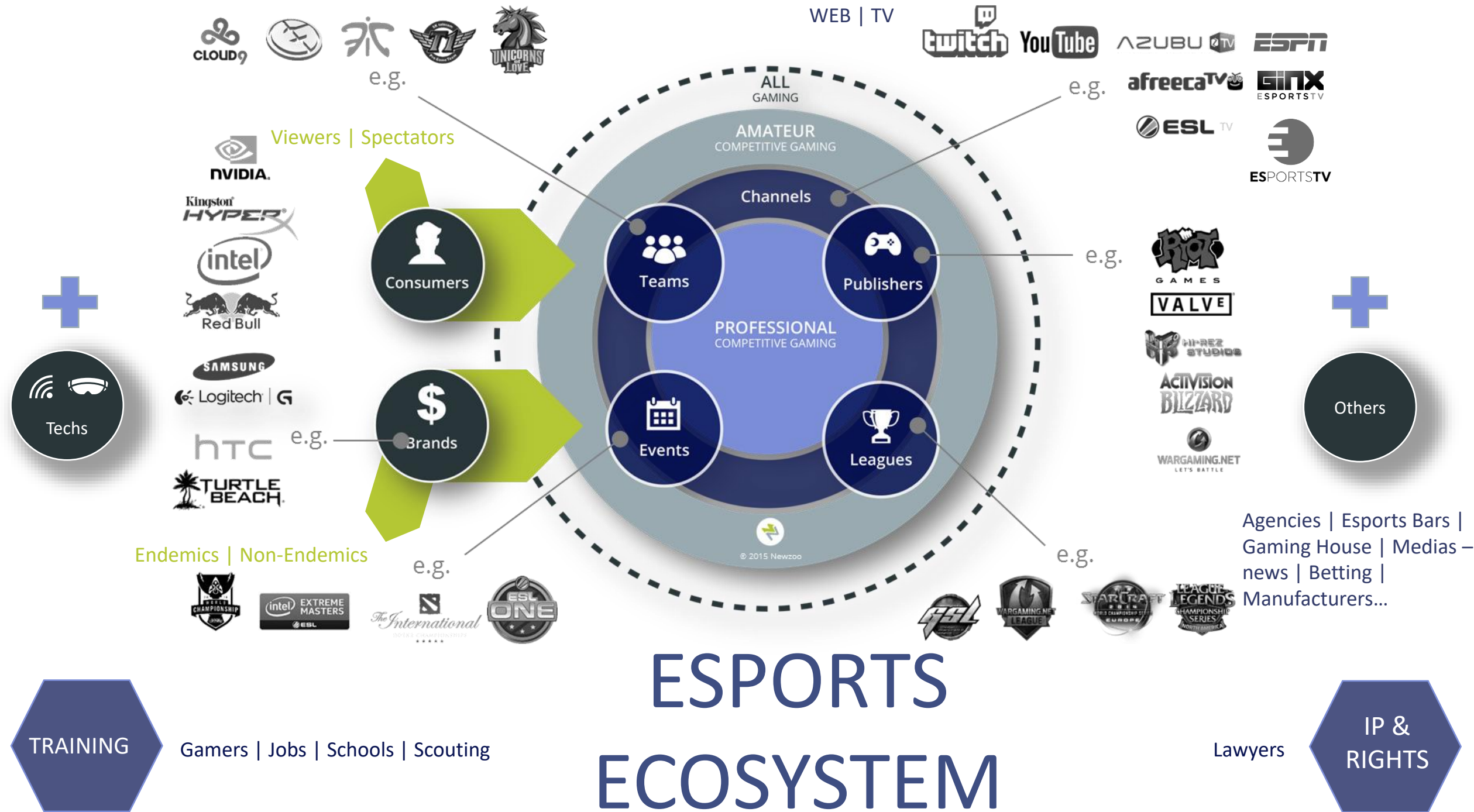
Esports: a complex ecosystem

# A COMPLEX ECOSYSTEM

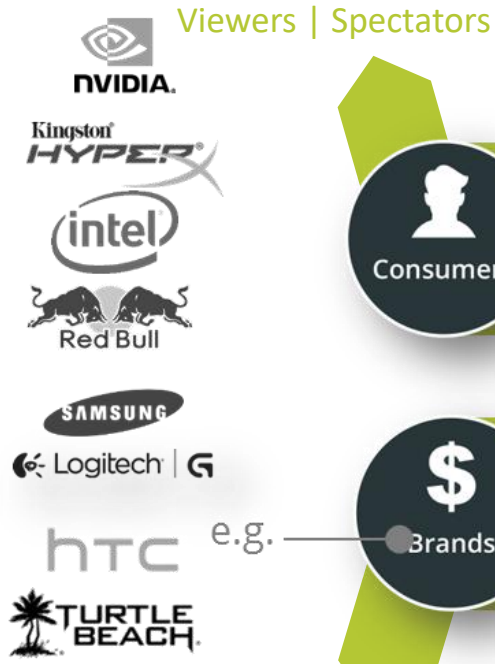


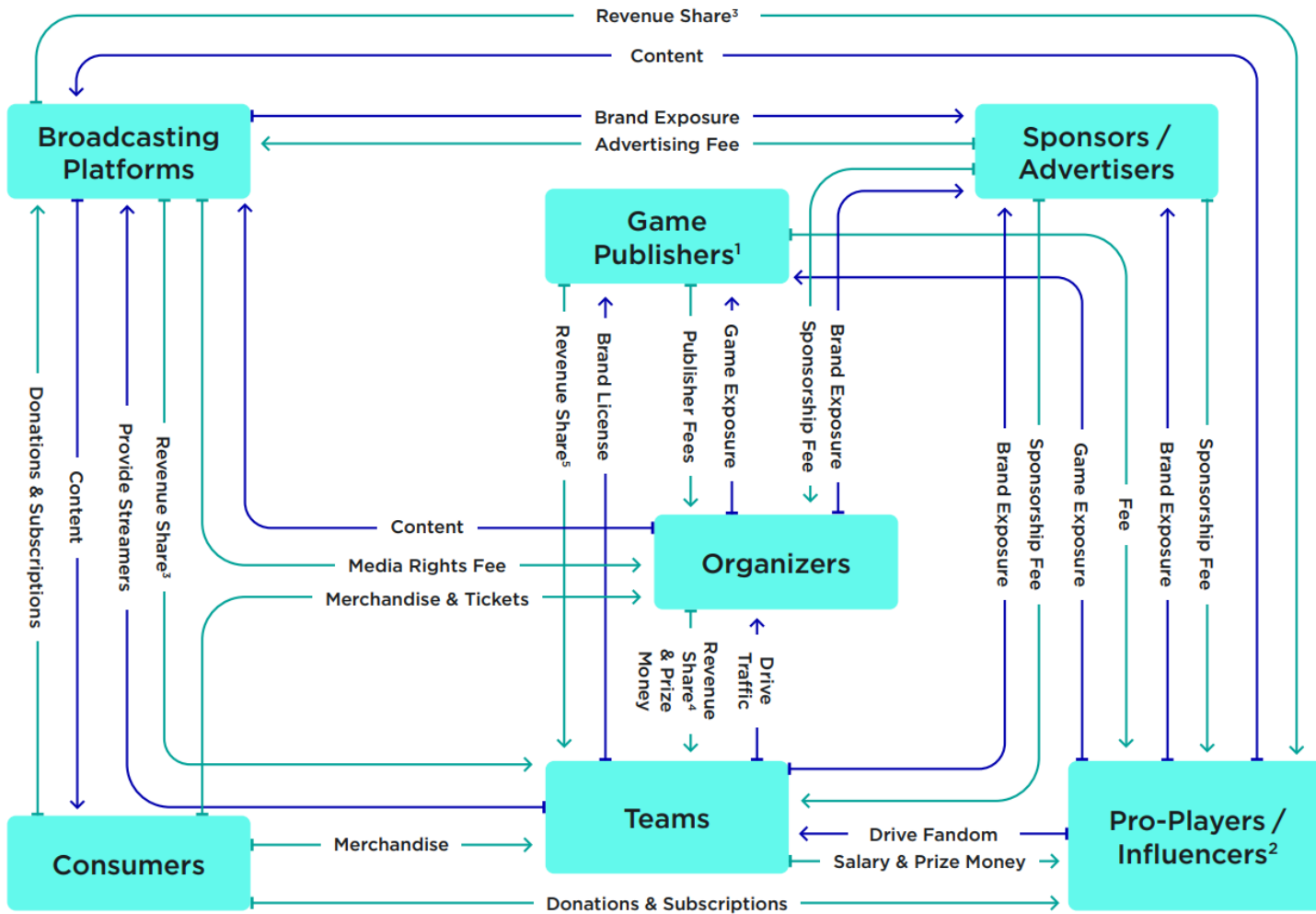
Definition of videogame (CJEU decision of 2014 in Case C-355/12 Nintendo v PC Box):  
“complex matter comprising not only a computer program but also graphic and sound elements, which, although encrypted in computer language, have a **unique creative value** which cannot be reduced to that encryption. In so far as the **parts of a videogame**, in this case, the graphic and sound elements, are part of its originality, **they are protected, together with the entire work**, by copyright in the context of the system established by Directive 2001/2.”

The publisher'S role



WEB | TV





← Money  
← Value

1. Game Publishers can own multiple games and be organizers of the games they operate themselves.
2. Influencers and Pro-Players can be independent of a team.
3. Revenue share includes a share of subscription, donation, and advertisement revenues.
4. Revenue share include a share of sponsorship and media rights revenue.
5. Revenue Share includes a share on in-game digital goods.

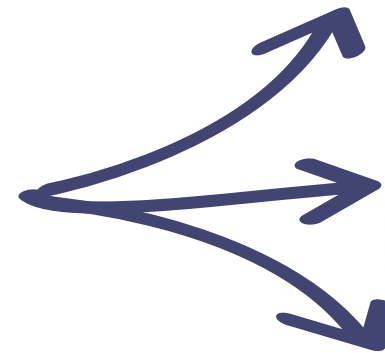
# VALUE / MONEY FLOW

# ESPORTS GOVERNANCE



# ESPORTS GOVERNANCE: who should rule esports?

1. The pivotal role of publishers
2. Counterbalancing the power of publishers
  - competition/antitrust law and consumer law
  - bespoke State regulations
3. our view



# THE IOC's GROWING INTEREST



## OLYMPIC AGENDA 2020+5 15 RECOMMENDATIONS

**Recommendation 9:** Encourage the development of virtual sports and further engage with video gaming communities

IOC's stumbling rocks:

- ❑ Sports **definition**: an activity involving physical exertion and skill in which an individual or team competes against another or others for entertainment.
- ❑ No **Violent** games



### Inaugural Olympic Virtual Series concludes successfully

07 Jul 2021 IOC News

The International Olympic Committee (IOC) worked with five International Sports Federations and game publishers to produce the inaugural Olympic Virtual Series (OVS), the first-ever Olympic licensed event for physical and non-physical virtual sports open to the public.



### IOC looks to Singapore to host inaugural Olympic Virtual Sports Festival in early 2023

28 Apr 2022

IOC News

The International Olympic Committee (IOC) and the National Olympic Committee (NOC) of Singapore are exploring the possibility of hosting a festival of virtual sports and gaming in early 2023. It will build on the success of the inaugural Olympic Virtual Series (OVS) in 2021 and would reinforce Singapore as one of the leaders in the field.



Where does the  
money come from?



# Where does the money come from?

There is money, but.....

- Is concentrated in few major operations
- The monetization system is in its infancy (if compared for example with traditional sports)



Annual viewers / Annual  
revenues

70 \$ / fan



Annual viewers / Annual  
revenues (\*)

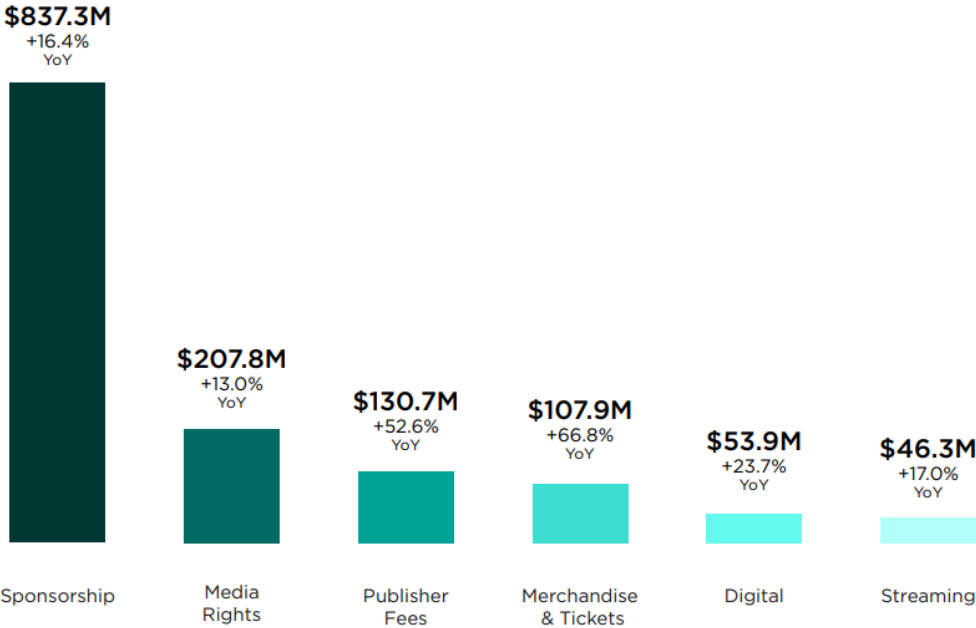
4,94 \$ / fan

(\*) approximate  
data based on  
2020 statistics

# Where does the money come from?

Esports Revenue Streams

Global | 2022



Source: Newzoo 2022 Esports report

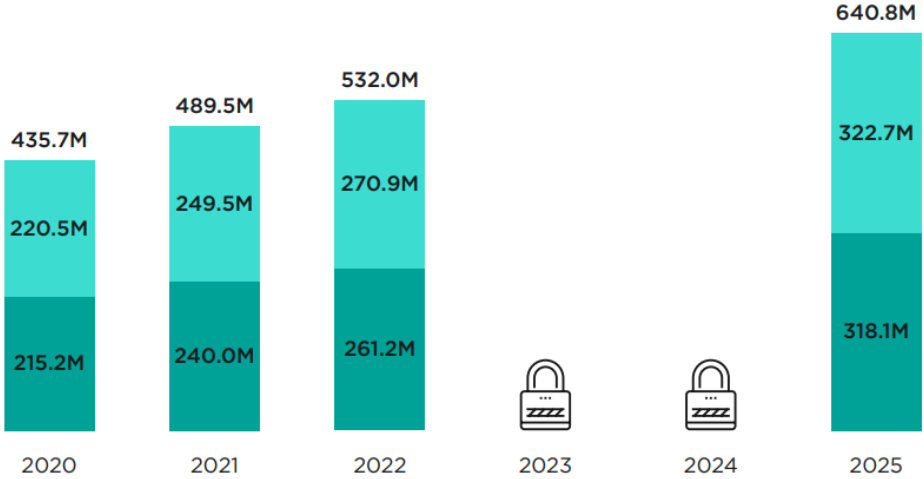
# A FEW MORE DATA

## Esports Audience Growth

Global | 2020-2025

- Occasional Viewers
- Esports Enthusiasts

CAGR: +8.1%  
Enthusiasts 2020-2025

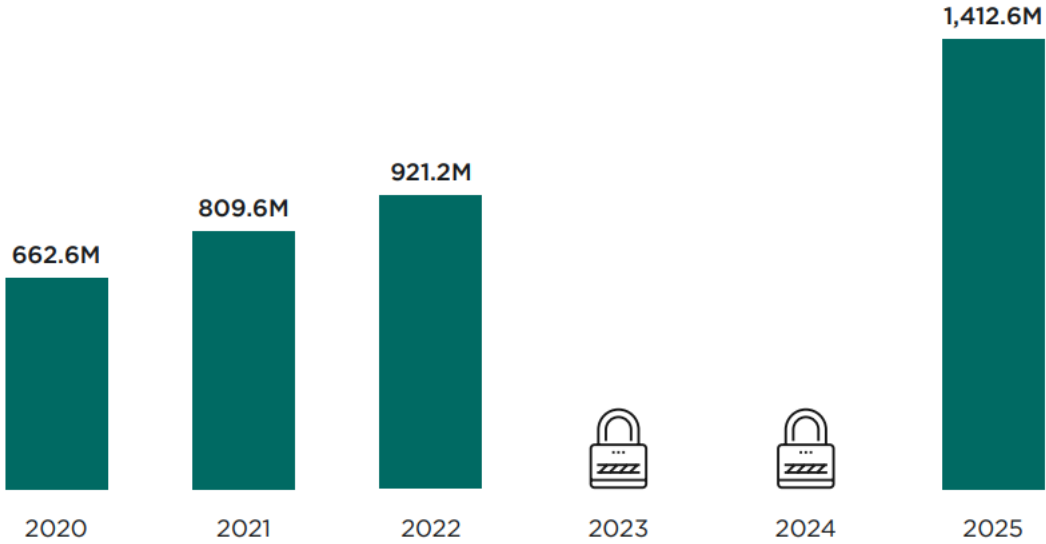


Due to rounding, Esports Enthusiasts and Occasional Viewers do not always add up to the total audience.

## Games Live Streaming Audience Growth

Global | 2020-2025

CAGR: +16.3%  
Live Streaming Audience 2020-2025



Source: Newzoo 2022 Esports report

# Risk factors



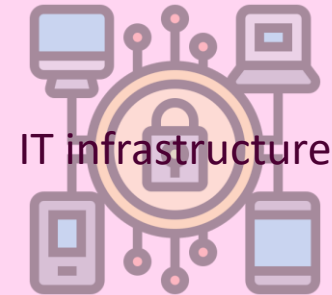
# INVESTMENTs' Risk factors



Revenues still unstable



Governance still unstable



IT infrastructure

Uncertain rules /  
legislation



Tournaments

Players

Fair play/level playing field



Cultural acceptance

# Hot topics in esports



# Hot topics in esports

1. Mobile gaming / cloud gaming



2. Esports, game design and new games



3. Dispute settlement mechanism



4. Diversity and accessibility



5. Doping & Cheating



6. Media rights



# Esports industry players

## Asia Pacific Esports Ecosystem

### Key stakeholders



## Europe Esports Ecosystem

### Key stakeholders



## North America Esports Ecosystem

### Key stakeholders





Thank you for your attention!



**Andrea Rizzi**  
Partner at Andrea Rizzi & Partners  
[andrea@rizzianpartners.it](mailto:andrea@rizzianpartners.it)



You can find the video used in this presentations  
on [www.youtube.com](http://www.youtube.com) and the icons on  
[www.flaticons.com](http://www.flaticons.com)

Thanks to the relevant authors:

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- League of Legends
- Smashicons
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- juicy\_fish
- Eucalypt
- Konkapp