E-SPORTS

Taking games from screens to arenas

Internet

E-sports – multiplayer video games played for spectators – are gaining tremendous popularity with their viewership surpassing many established franchises such as NBA in a short span of time. E-sports logged viewership of 395mn (up 18% YoY) and revenue of USD0.9bn in 2018, thereby logging a three-year CAGR of 39%. Huge e-sports tournaments are taking place in big arenas all over the world drawing large crowds with prize money for such tournaments topping USD150mn. Currently big in North America and China, e-sports are catching up in other geographies. The International Olympic Committee (IOC) has recognised e-sports as a sport and it will be a medal event at the 2022 Asian Games, which should further boost its acceptance. In India, e-sports viewership is expected to touch 20mn (from ~4mn currently) by 2021 on the back of rising awareness and broadband penetration, not to mention potential organisation of large tournaments in the country.

E-sports evolution: From living rooms to sporting arenas

Increasing complexity and visual appeal of video games have led to the creation of the e-sports industry, wherein spectators pay to watch professionals play video games *a la* typical professional sports. Emergence of new distribution platforms such as *Twitch* and *YouTube* has helped create a compelling 63mn e-sports viewership in the US, similar to peers in traditional sports franchises such as NBA (63mn), that is swiftly closing the gap with the leader, NFL (139mn). E-sports has also emerged as an attractive platform for reaching out to millennials, who spend less time watching TV and can better relate with technology brands, energy drinks, fast food/snack manufacturers, etc.

E-sports ecosystem: Value creation

The e-sports ecosystem is similar to regular sports' in some aspects—particularly spectatorship, sporting teams, media companies, advertisers, events sponsors and event organisers. The value creation largely takes place at the publisher and organiser levels, in terms of sponsorship revenue and by sale of media rights. Publishers own the game licences while *Twitch* and *YouTube* are preferred media channels versus TV for traditional sports. Additionally, e-sports have a larger social connect than traditional sports, wherein viewers can chat directly with players and teams on certain forums. That said, given e-sports are nascent, there are no clear boundaries among various players along the value chain, and there is a substantial overlap among various stakeholders in the ecosystem.

E-sports in India: Drumming up sporting excitement

In India, e-sports commanded a meagre viewership of 4mn in 2017 comprising e-sports enthusiasts and audience. However, this number is likely to grow fivefold by 2021 to 20mn-plus. The number of e-sports events hosted in India is tiny (early teens), but the pace of growth and lucrative prize pools are enticing. Competitions have been mainly organised by COBX Gaming, ESL India, UCypher and NODWIN Gaming (Nazara Technologies) with prize pools going as high as USD2,00,000. The key growth drivers for e-sports – demography (such as a young population), access to high speed bandwidth at low cost, and a maturing ecosystem – are in place in India. Hence, we expect it to gain meaningful scale over time.

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June 18 , 2019

Story in charts……

Chart 1: E-sports command comparable viewership in US…

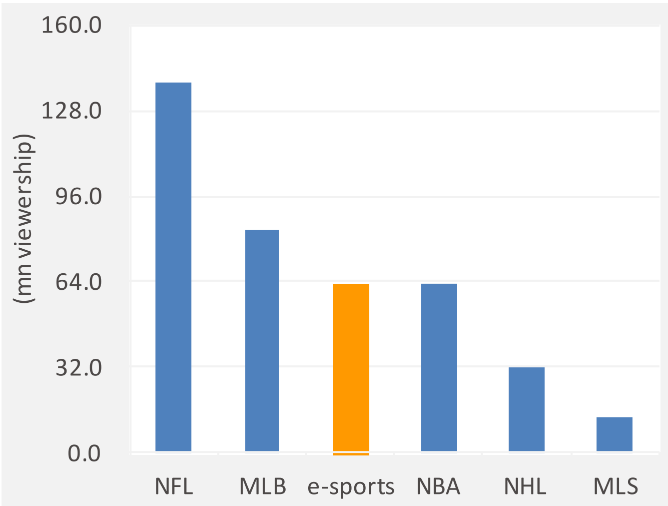
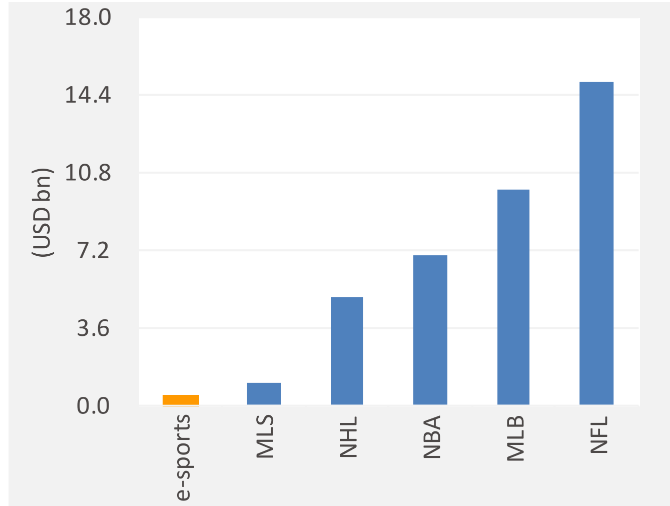


Chart 2: …but their revenue trails – 2018



Source: Activate Tech and Media Outlook 2019

Chart 3 : Global e-sports viewership and YoY growth

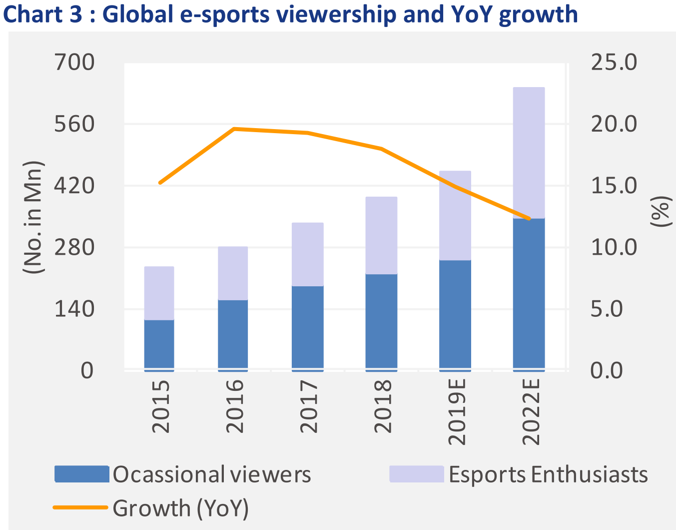
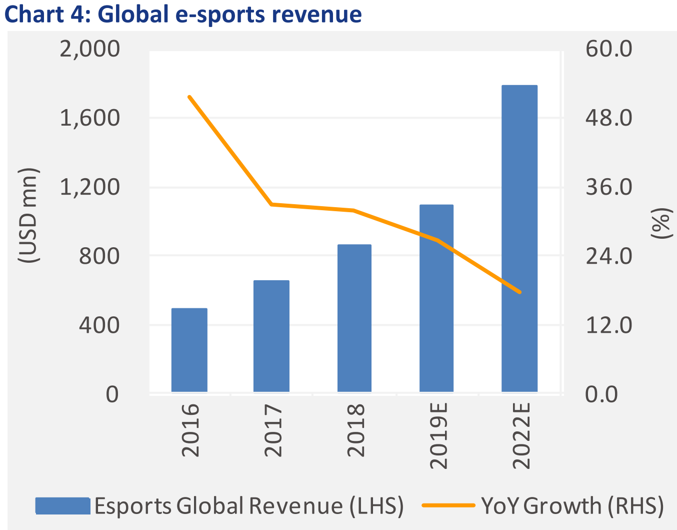


Chart 4: Global e-sports revenue



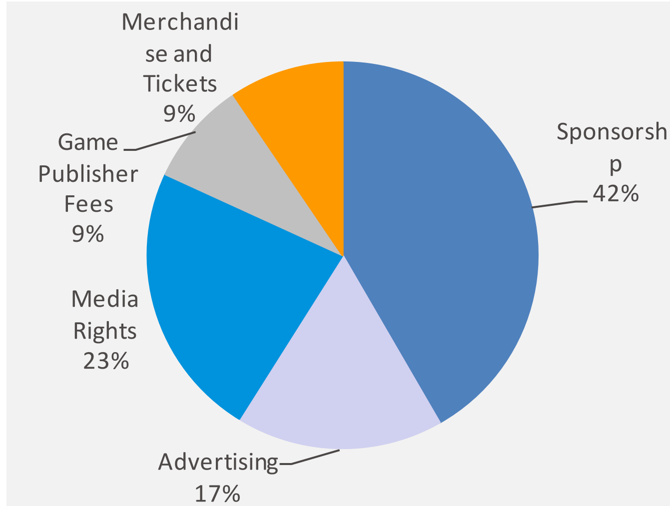
Source: Newzoo, Edelweiss research

Table 1: Top ten e-sports by prize pool – 2018

Prize Pool - 2018	(USD mn)
Dota 2	41.3
Counter-Strike	22.5
Fortnite	20.0
League of Legends	14.1
PlayerUnknown's Battlegrounds	6.7
Overwatch	6.7
Heroes of the Storm	6.5
Hearthstone	5.0
StarCraft II	4.5
Call of Duty : WWII	4.2

Source: Deloitte, Newzoo, Edelweiss research

Chart 5: E-sports revenue drivers: 2019



Source: eportsobserver.com, Newzoo, Edelweiss research

E-sport evolution: From living rooms to sporting arenas

Increasing complexity and visual appeal of video games have led to the creation of the e-sports industry. In e-sports, consumers pay to watch professionals play video games, similar to traditional professional sports. Viewers can watch the game either via streaming or at special viewing areas called e-sports arenas. Emergence of new distribution platforms such as Twitch and YouTube have helped create compelling 63mn e-sports viewership in the US alone, the same as traditional sports franchises such as NBA (63mn), that is closing the gap with the leader, NFL (139mn). Still, e-sports revenue is lower (USD450mn in 2018) than traditional sports (NFL USD15bn, NBA USD7bn); we ascribe this to the fact that the platform is evolving. That said, e-sports is an attractive platform for reaching out to millennials, who spend less time watching TV and can better relate to technology brands, energy drinks, fast food manufacturers, etc.

Evolution: From living rooms to sporting arenas

South Korea has internet cafes called *PC-bangs*, wherein young customers of e-sports visit to watch online video game tournaments

In electronic sports, commonly known as e-sports, professional players pit themselves against rivals in organised, competitive video game tournaments. The most common video game genres associated with e-sports are multiplayer online battle arena (MOBA), first-person shooter (FPS), fighting, digital collectible card games, battle royale games and real-time strategy (RTS).

E-sports have evolved from video game competitions organised by Atari to large-scale multiplayer online games organised in large sporting arenas. The earlier gaming business model was largely based on monetising gaming consoles and game licences from publishers to video game players. However, over the past decade or so, improving broadband connectivity, evolution of specialised broadcasting platforms (such as Twitch and YouTube), hefty e-sport prize pools and changing consumer habits have led to emergence of e-sport as a viable industry.

Fig. 1: From Atari games tournament…

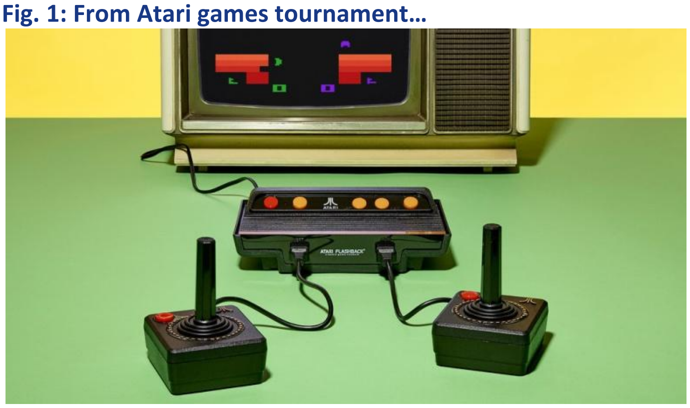


Fig. 2: …to e-sport in sporting arenas

Source: Edelweiss Research

Chart 6: While e-sports enjoy comparable viewership in US…

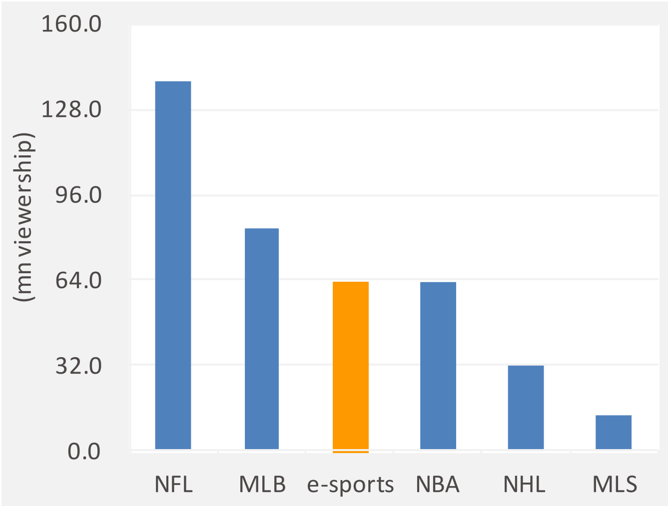
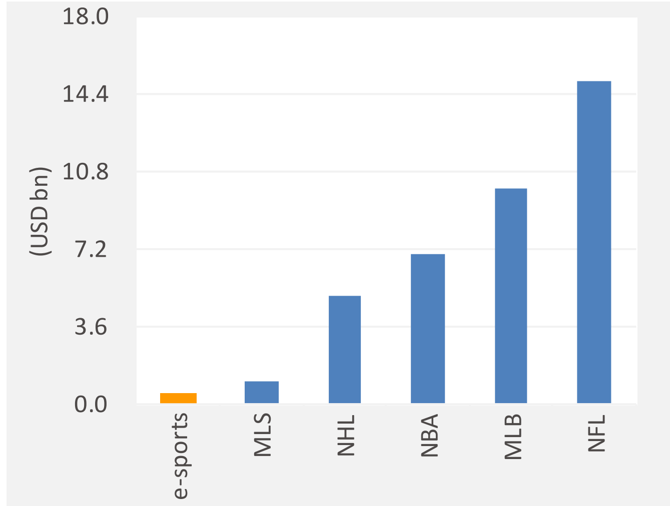


Chart 7: …e-sports revenue in US still trails – 2018



Source: Edelweiss research, Activate Tech and Media Outlook 2019
Note: MLB- Major League Baseball; NFL – National Football League; NBA – National Basketball Association; NHL – National Hockey League; MLS – Major League Soccer;

Spectator sports: High engagement levels, growing at a fast clip

40mn-plus players play *Overwatch* – the world's most popular e-sports consumer fantasy"

The grandeur of e-sports events provides aesthetic experiences on a more holistic level, characterised as "a transcendent character built of liminoid elements and consumer fantasy". Global e-sports viewership – comprising occasional viewers (that watch e-sports content less than once a month) as well as e-sports enthusiasts (that watch e-sports content more than once a month) – has almost doubled over the past four years (2014–18) with a CAGR of about 18%. The global viewership is expected to touch about 644mn by 2022.

It is interesting that viewership of about 395mn generates revenue of about USD865mn only. We believe that despite strong engagement levels, revenue is relatively lower as e-sport is a young and growing platform. As the platform matures and engagement levels remain intact, revenue should follow. We have seen this phenomenon play out in other digital platforms as well, such as digital news, advertising on social media etc.

Global e-sports revenue to cross USD1bn in 2019

Fortnite is free to play but nevertheless generated USD318mn in revenue in 2018 (in- app purchases)

Global e-sports market size is expected to increase by 27% YoY to USD1.1bn in 2019, from USD865mn in 2018. It has expanded at a CAGR of about 39% since 2015. We see e-sports at the cusp of a transformation against the backdrop of an enormous increase in viewership coupled with a consistent rise in prize pools offered by these games.

The engagement levels, manifested in the form of large-scale viewership, are set on a high growth path, against wide-scale internet and smart phone penetration on the one hand and larger disposable income and popularity of payment options on the other. The prize pools have been growing at a rapid pace, attracting professional players towards e-sports.

Chart 8: Global e-sports viewership and YoY growth

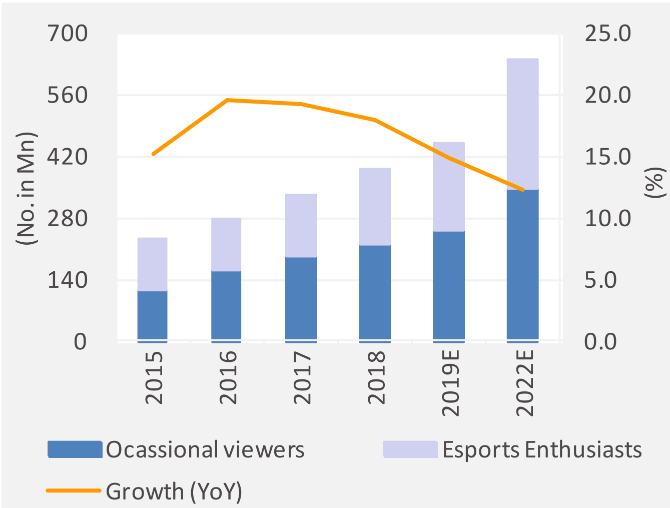
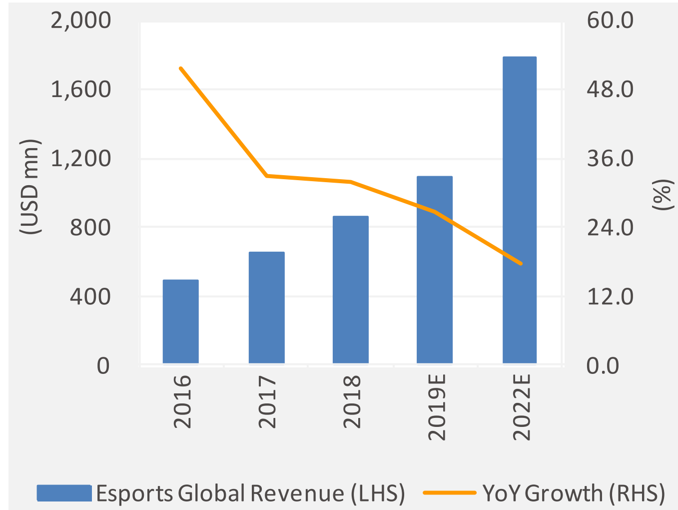


Chart 9: Global e-sports revenue



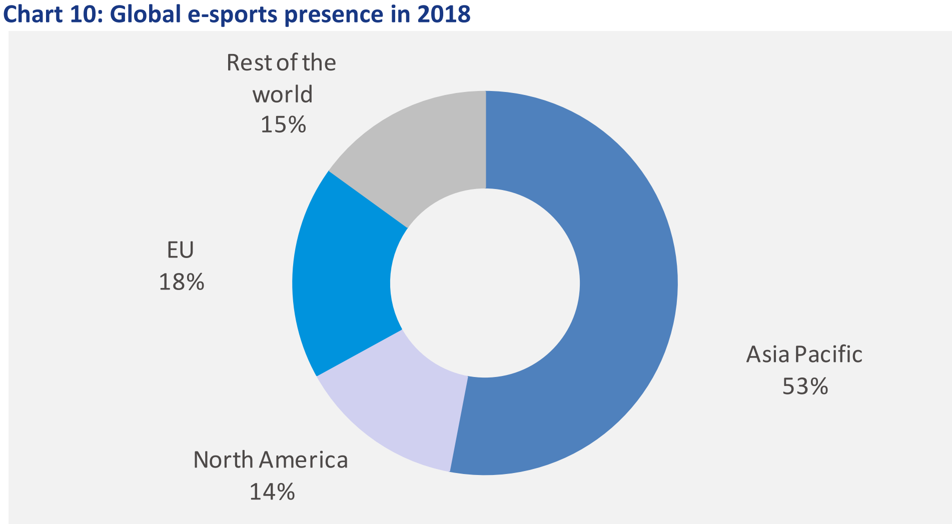
Source: Newzoo, Edelweiss research

North America is the largest contributor, accounting for 14% of the global e-sports revenue.

North America leads in revenue; local initiatives thrive in Europe

Asia Pacific is generated 53% of total e-sports revenue in 2018 with China and South Korea forming a substantial chunk. North America is the largest contributor, accounting for 14% of the global e-sports revenue. This revenue will mostly come from sponsorships, which are estimated to grow from USD100mn in 2017 to USD170mn in 2019. Western Europe is the second-largest region by revenue contribution. Western Europe, more than any other region, is characterised by localised e-sports ecosystems that operate next to regional tournaments and leagues. While international leagues are very popular, local e-sports organisers have done extremely well over the past few years.

Chart 10: Global e-sports presence in 2018



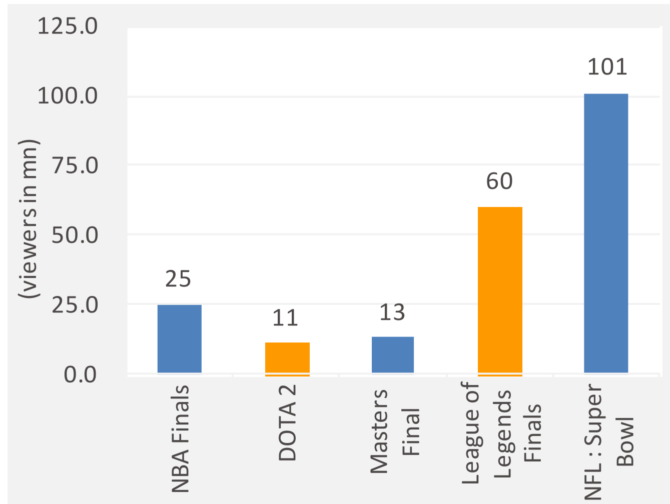
Source: Newzoo

E-sports gaining heft versus traditional games

E-sports, *a la* traditional sports, pits teams against one another (for cash prizes) and tries to build up excitement via regular seasons, playoffs and world championships. While, by revenue, e-sports lag the traditional NHL and NBA for example, their viewership has risen over the last few years. In fact, certain popular e-sports games have overtaken the traditional NBA. E-sports, in 2018, had a cumulative viewership of 395mn, split between 222mn occasional viewers and 173mn e-sports enthusiasts. Over the last three years, viewership has increased at a CAGR of 19%, in line with popular sports viewership for NHL and NBA, among others.

Fig. 3: Top e-sports games and traditional tournaments

Chart 11: Viewership comparison: 2017



Source: Company, Edelweiss research

Note: Concurrent/Average viewership numbers during finals

E-sports revenue is expected to rise to USD1.8bn by 2022

Higher viewership translating into rising revenue but still lags revenue from traditional sports. (Refer to Chart 12). PWC pegs 2017 total e-sports revenue across 20 countries — comprising sponsorships, media rights, streaming advertising, consumer contribution to prize pots, and ticket sales — at USD620mn, up 43.7% YoY. This is forecasted to reach USD1.7bn in 2022, at a CAGR of 20.6%. Newzoo, a global provider of e-sports analytics, pegs 2018 worldwide e-sports revenue at USD865mn that it forecasts would rise to USD1.8bn by 2022 at a CAGR of 20%.

Chart 12: Total sporting revenue – A comparison

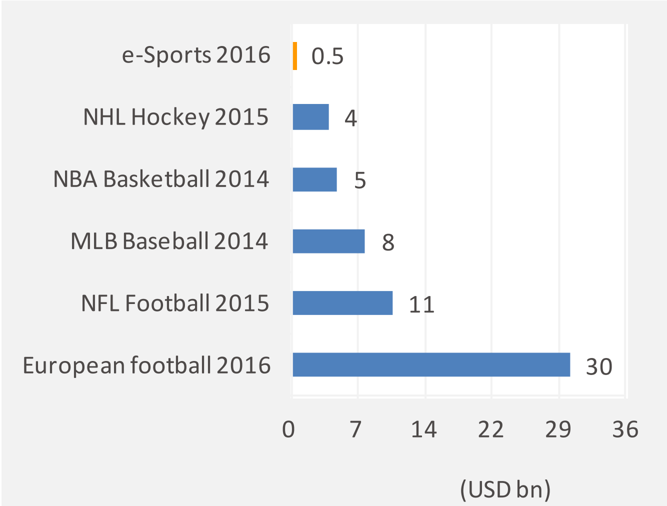
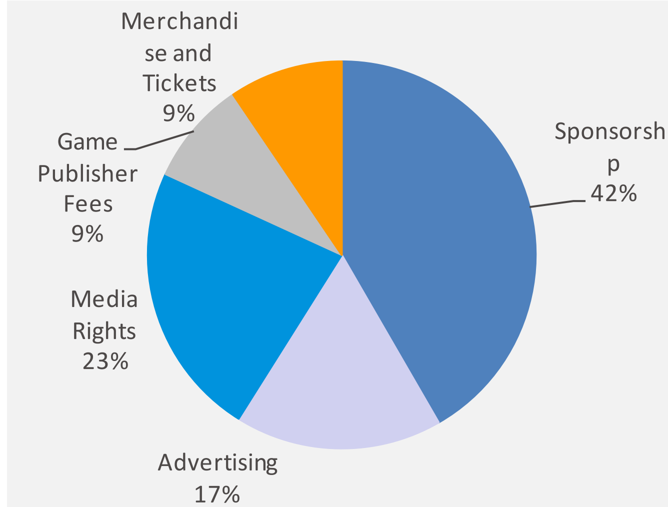


Chart 13: E-sports revenue drivers: 2019



Source: Deloitte, Newzoo, Edelweiss research

E-sports: Revenue drivers

Similar to traditional sports, albeit at an entirely different platform, sponsorships form a substantial chunk of revenue (~40%) for e-sports companies. The other revenue drivers include advertisement, media rights, game publisher fees, merchandise and tickets. Refer to the breakdown in Chart 13. Companies such as ESPN, Amazon-owned Twitch, and YouTube are trying out their fortunes in the video game broadcasting sphere.

Higher prize pools: An attraction for professional players

Attracting professional players that battle engagingly is imperative to the success of e-sports. The latter is evident from the trend in increasing prize monies, which has risen almost eightfold over 2012–17. 2018 saw one of the largest prize money pooled, with Dota 2 leading with a total pool of USD41.3mn, followed by Counter-Strike at USD22.5mn. The increasing popularity of e-sports has been attracting sponsors, and larger viewership, and accordingly prizes have seen a surge over the years.

Table 2: Top ten e-sports by prize pool – 2018

Prize Pool - 2018	(USD mn)
Dota 2	41.3
Counter-Strike	22.5
Fortnite	20.0
League of Legends	14.1
PlayerUnknown's Battlegrounds	6.7
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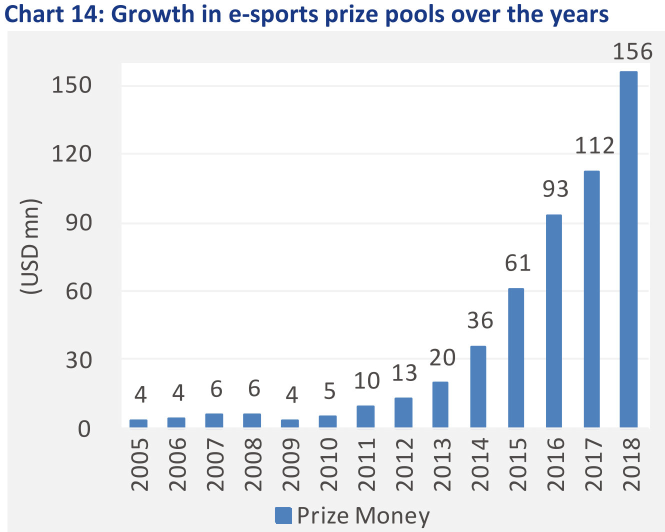
Chart 14: Growth in e-sports prize pools over the years



Source: eportsobserver.com, Edelweiss research

Non-traditional viewership platforms

Unlike traditional sports that are predominantly broadcasted on Linear TV, e-sports are mostly watched via streaming (of leagues) on platforms such as *Twitch* and *YouTube*. Amazon-owned *Twitch* has emerged as one of the preferred platforms for streaming e-sports tournaments. *Azubu* and *Hitbox* are other such platforms. Additionally, drawing a parallel to traditional sports, e-sports have offline viewership too, with viewers and enthusiasts visiting sporting arenas to watch their favourites fight it out on bigger screens.

Fig. 4: E-sports accounted for about 11% of total viewership on *YouTube* and *Twitch* in Q1 2018

Source: Newzoo

Communication platforms like *Discord* and *TeamSpeak* make it easy for players to find each other and for teams to collaborate

Epic Games' shooter game Fortnite has become the most-viewed title on *Twitch*, with more than 4,500 user channels streaming the games—and an average of over 140,000 viewers at any given time watching players and listening to their commentary. Similarly, in just one week in June 2018, viewers on *Twitch* spent 17.7mn hours watching players compete in the League of Legends matches.

Portraying a typical e-sports spectator

A quintessential e-sports spectator is seen as a millennial male fan that unsurprisingly spends substantial time playing videogames online. A sizeable chunk of the e-sports fan base is aspiring players, who religiously follow specific games and/or professional gamers/teams, with the aim of honing their game-playing skills. We attempt categorising the target audience in the following section on the basis of gender, demography, playing and viewing habits, interest in traditional sports, influences, sponsors and brands, etc.

Gender and Demographic Diversity – Predominantly a millennial male

Statistics show that about 70% of e-sports fans are male with an average age of 26 (ranging from 13 to 40)

Statistics show that about 70% of e-sports fans are male with an average age of 26 (*ranging from 13 to 40*). However, it is interesting to note that gender diversity varies by type of game. We can see in Table 3 that Counter Strike (CS) commands women participation of only 10% at least compared with a sizeable 32% in FIFA.

Table 3: Gender diversity across games/leagues

	Overwatch	CS	Dota 2	FIFA	LoL
Male	79.0	90.0	84.0	68.0	76.0
Female	21.0	10.0	16.0	32.0	24.0

Source: Nielsen Esports Playbook

E-sports fans are generally not interest in traditional sports

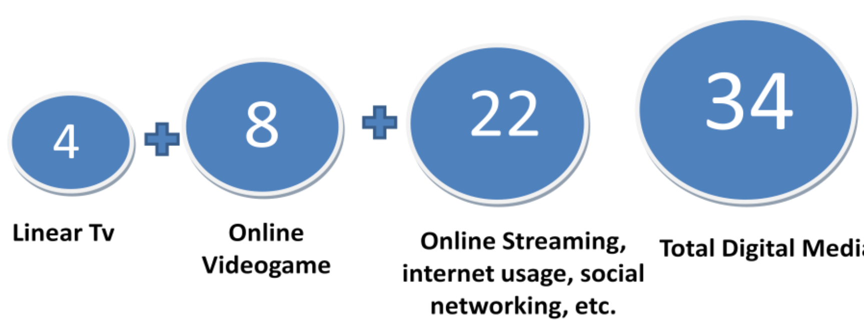
In general, an e-sports fan is not interested much in traditional sports

In general, an e-sports fan is not interested much in traditional sports. However, it is observed that whichever traditional sports they find interest in mostly have a popular video game franchise based on that game. For example, EA Sports FIFA players watch football games.

E-sports viewer spends double the time on videogames vis-à-vis TV

A study conducted by Nielsen shows that across the US, the UK, France and Germany, an average e-sports fan spends 4–4.5 hours per week watching linear TV, and about eight hours per week playing video games. Additionally, live streaming remains the predominant form of e-sports viewership. Over and above this, an e-sports player spends about 22 hours on digital media on various activities such as social networking, digital content viewing, general internet usage on phone/computer, etc.

Fig. 5: Time spent (hours per week) on digital media by an e-sports viewer



Source: Nielsen Esports Playbook

Interest in e-sports influenced by friends, YouTubers, and interest in specific game

Interest in e-sports, more often than not, is generated by the fan himself playing those videogames. Additionally, friends, family and social media discussions by opinion leaders too drive interest among fans.

E-sports viewers prefer semi-endemic sponsors brands and sponsors

As opposed to corporate sponsors, e-sports players relate better to technology brands, energy drinks and fast food/snack manufacturers as game sponsors.

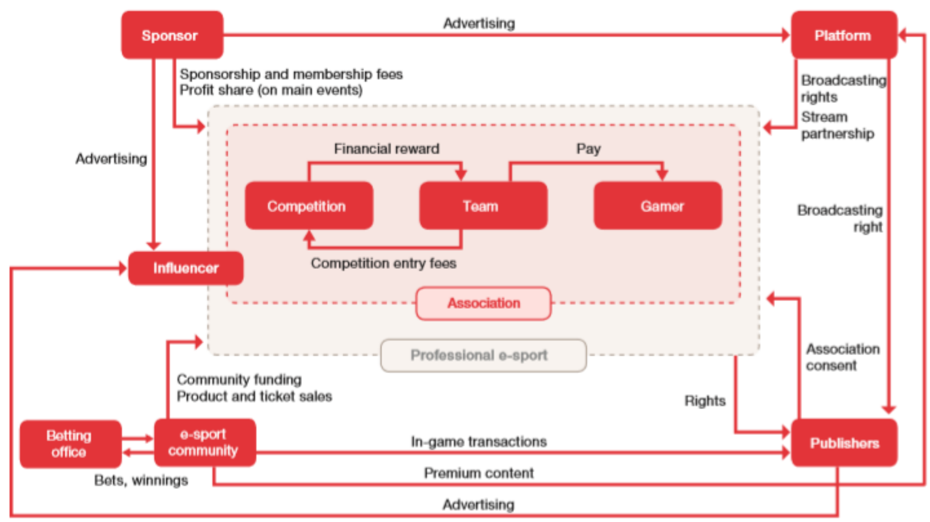
E-sports ecosystem

The e-sports ecosystem is similar to regular sports' in some aspects such as spectatorship, sporting teams, media companies, advertisers, events sponsors and event organisers. Some differentiators are publishers, which own the licenses of the game, while Twitch and YouTube are the preferred media channels versus TV for traditional sports. Additionally, e-sports boast a deeper social connect (than traditional sports) since viewers can chat directly with players and teams on certain forums. That said, given e-sports are nascent, boundaries among various stakeholders along the value chain are blurred with a substantial overlap among players in the ecosystem.

The e-sports business model is slightly different from digital gaming, and more similar to that of professional sports leagues

The e-sports business model is slightly different from digital gaming, and more similar to that of professional sports leagues. It consists of game publishers, gamers, media companies (broadcast on linear TV), streaming platforms (*Twitch, YouTube,* etc), advertisers, events sponsors and organizers. E-sports companies play a critical role in connecting the various stakeholders to exploit the monetisation potential in the online gaming market.

Fig. 6 : E-sports ecosystem – Key stakeholders



Source: PWC Report

E-sports: Value creation

A look at the revenue drivers (Chart 13) shows a holistic picture of where the majority of value is being created, and which part of the e-sports ecosystem holds the greatest potential of value maximisation. With 42% of revenue coming in from sponsorships, followed by media rights and advertisements, a significant portion of the value is generated at the publisher and organiser levels.

Given that the rights to hold competitions are sold by publishers, they play a key role in the e-sports ecosystem.

Given that the rights to hold competitions are sold by publishers, they play a key role in the e-sports ecosystem. The high network and popularity effect of the games reinforces the publishers and organisers hold in the ecosystem. Sponsors, on the other hand, see it as a lucrative way of targeting a section of consumers, who are otherwise not easy to target, as they are predominantly a non-TV watching audience that use online ad blockers for filtering out online advertisements. They may sponsor individuals, teams or events.

Publishers

Riot, Valve

Publishers tend to be larger in terms of revenue, number of employees, and financial resources.

Publishers are the companies that publish/create the games, i.e. invest in producing the game and developing it either by its own internal team or an outsider. They are the ones that validate the concept, identify the target market and invest capital. In comparison to other players in the e-sports ecosystem, publishers tend to be larger in terms of revenue, number of employees, and financial resources.

Game publishers are the key beneficiaries of the strong network effect as popularity of a game lures more spectators to the e-sport, which in turn helps to deepen reach and attract new spectators. All of this feeds into licence sales. Game publishers create value for teams, by creating games where they can compete, and for competition organisers, they distribute broadcasting rights and contribute to the prize pool, thereby increasing the attractiveness of the game for sponsors, teams and advertisers.

Competition organisers

ESL

Competition organisers collaborate with publishers and host both offline and online competitions

Competition organisers collaborate with publishers and host both offline and online competitions, generating revenue through corporate sponsorship, membership fees, and merchandise and ticket sales. They benefit publishers by hosting games and provide a platform for sponsors and advertisers to gain exposure to a specific consumer segment. They also sell broadcast rights to distributors for further broadcasting of games.

It is important for organisers to have a broad range of games in their kitty, hedging against concentration risk with respect to a specific game or publisher. There exists intense competition from existing as well as new organisers to constantly innovate and grab the market share as shelf life of the tournaments become integral for the relevance of the game's popularity. This category is at the highest risk of competition from other players of the e-sports ecosystem via vertical expansion.

Teams/players

Astralis (CS), Edward Gaming (LoL)

Given the high social component in e-sports, players' brand value is immense and helps attract more viewers

Players can be both amateurs and professional. Professional teams are the ones that compete in tournaments and primarily earn by winning competitions. Additionally, another stream of earnings for them is endorsement deals. The teams/players create value for sponsors, competition organisers and merchandise sellers.

Given the high social component in e-sports driven by increased direct communications with players and teams, players' brand value is immense and helps attract more viewers, which benefits other players in the value chain. Additionally, when these players associate themselves with any game, they implicitly act as a quality guarantor and draw a ready audience for the new game/league.

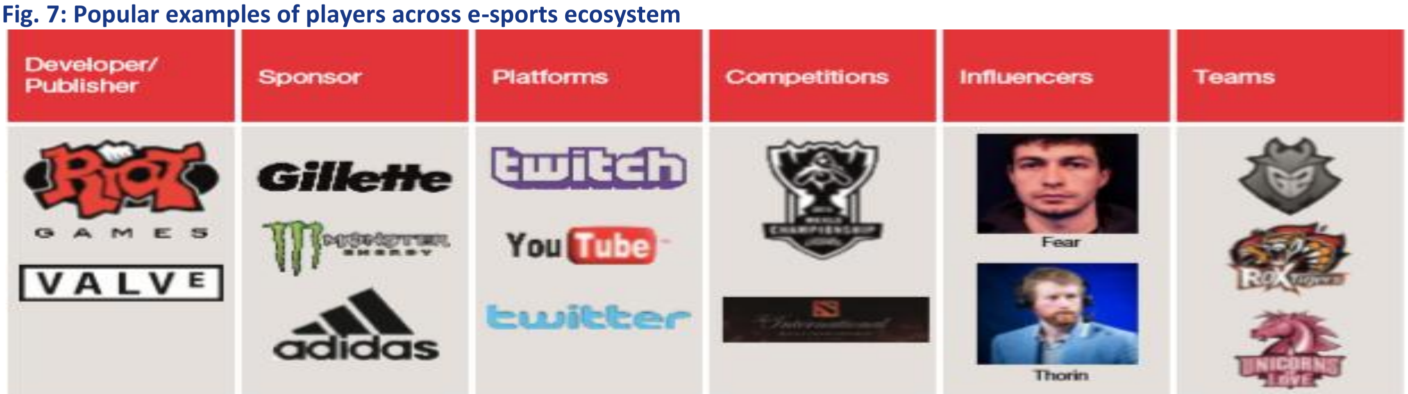
Media companies – Distribution platforms

Twitch, YouTube

Media companies are the channels that facilitate the (live) broadcast of competitions and pro-player videos. Additionally, distribution platforms also include companies that facilitate necessary platforms to host both amateur and professional tournaments. They make money by advertising and sponsorship fees on the one hand and subscription fee from viewers on the other.

While organisers mostly host the competitions themselves through online streaming platforms, it's only recently that sale of broadcasting rights have gained popularity. Amazon- owned Twitch is one of the largest distribution channels for broadcasted e-sports, followed by Azubu and Hitbox. The viewership on YouTube is also gaining traction. Besides streaming platforms, linear TV too has its share of e-sports broadcasting, with outlets such as ESPN, SVT, etc.

Fig. 7: Popular examples of players across e-sports ecosystem



Source:PWC Report

As opposed to corporate sponsors, e-sports players better relate with technology brands, energy drinks and fast food/snack manufacturers as sponsors

Sponsors and advertisers/brands

Red Bull, Coca Cola

Brand holders and advertisers pay teams, league organisers and publishers in exchange for displaying their logos, products or adding their names as a prefix to the tournament's name. Additionally, branded merchandise has emerged as an effective branding and advertising exercise by companies. For companies that associate themselves with or target the youth of the world, it's a massive forum to gain visibility with a wide range of viewers, who are their target audience. As opposed to corporate sponsors, e-sports players better relate with technology brands, energy drinks and fast food/snack manufacturers as sponsors for the games.

End Users – Audience

The last in the chain are the users, i.e. spectators, who account for a major part of revenue through tickets and merchandise purchase. A sizeable chunk of the e-sports fan base is aspiring players, who religiously follow specific games and/or professional gamers/teams with the aim of honing their game-playing skills.

E-sports in India

In India, e-sports commanded a meagre viewership of 4mn in 2017 comprising e-sports enthusiasts and audience. However, this number is likely to grow fivefold by 2021 to 20mn-plus. The number of e-sports events hosted in India is tiny (early teens), but the pace of growth and lucrative prize pools are enticing. Competitions have been mainly organised by COBX Gaming, ESL India, UCypher and NODWIN Gaming (Nazara) with prize pools going as high as USD2,00,000. The key growth drivers for e-sports – demography (such as a young population), access to high speed bandwidth at low cost, and a maturing ecosystem – are in place in India. Hence, we expect it to gain meaningful scale over time.

Nascent, and brimming with potential

By 2020, India's mobile games market alone will be worth over USD1bn, with e-sports forming a major chunk

With its massive population and hundreds of millions of potential gamers, India has the makings of a potent e-sports market. India had about 4mn occasional viewers and e-sports enthusiasts in 2017; however, this number is expected to grow more than fivefold by 2021 to 20mn-plus. An increasing interest in e-sports and the expected increase in audience are likely to result in a surge in revenue from avenues such as advertisements, merchandise and ticketing. Besides, the ability to monetise e-sports tournaments through media and broadcasting rights is likely to gain traction in the years to come.

Indian online gaming industry to touch USD1bn in revenue by 2020

According to a Forbes report, the number of game-developing companies in India has increased from 25 in 2010 to 250, with an aggregate of about 260mn gamers. The country's gaming industry is worth about USD890mn. By 2020, India's mobile games market alone will be worth over USD1bn, with e-sports forming a major chunk. The proliferation of inexpensive smartphones and high-speed internet are the primary catalysts for rapid growth of the gaming industry in the country.

Fig. 8 : Popular e-sports games in India

Anti-clockwise (L to R)
Counter – Strike
Star Craft II
League of Legends
Hearthstone
Dota 2

Source: Edelweiss research

PUBG Mobile wave in India

The mobile version of PUBG (Player Unknown Battlegrounds), developed by PUBG Corporation in partnership with Tencent was launched in India in March 2018. It immediately became one of the most grossing games in the country, owing to its simplicity and easy accessibility on mobile phones, besides being free. The recently concluded Indian Division of PUBG Mobile Club Open 2019 saw a tremendous interest from viewers, with people coming in thousands, to see the players play it out at Thygraj Stadium, Delhi.

Table 4: Top e-sports teams in India

Top E-sports teams in India	Game	Total Earnings (USD)	World Ranking
Entity Gaming	Counter-Strike	36,393	190/1,157
Team Brutality	Counter-Strike	21,020	269/1,157
Beyond Infinity	Dota - 2	10,013	190/620
Team iNvictus	Counter-Strike	8,634	452/1,157
Entity Gaming	Dota - 2	7,706	216/620

Source: https://esportsflag.com/india

Table 5: Top E-sports players in India

Top E-sports players in India	Name	Game	Total Earnings (USD)	World Ranking
BuLba (both India and US)	Kanishka Sosale	Dota -2	198,198	138/906
Demi	Varun Immanuel	Star Craft II	10,299	296/1,513
AstaRR	Ayush Deora	Counter-Strike	8,770	505/1,632
Excali	Karan Mhaswadkar	Counter-Strike	8,336	520/1,632
Ace	Tejas Sawant	Counter-Strike	7,857	539/1,632

Source: https://esportsflag.com/india

India shines at e-sports event at Asian Games 2018

Tirth Mehta (23) from Gujarat created history of sorts by winning the country's first ever e-sports medal

At the Asian Games 2018, India won a bronze in a unique category, though it didn't count in the official medal tally (as they were included as demo sports). The medal was won in the collectible card-based video game tournament Hearthstone. Tirth Mehta (23) from Gujarat created history of sorts by winning the country's first ever e-sports medal. (Hong Kong won gold and Indonesia silver.)

Flag bearers of E-sports in India

NODWIN Gaming (Nazara Technologies)

Nazara, a leading mobile game publishing company, is one of the early movers in realising the potential of e-sports in the country. It announced plans to invest USD20mn (approximately INR1.3bn) to develop the Indian e-sports ecosystem over the next five years. The company recently acquired a majority investment in NODWIN Gaming, a platform that hosts e-sports tournaments across the country, with exclusive long-term India rights for global partners such as ESL and ESWC, among others. With such acquisitions, Nazara aims to further its commitment of developing the e-sports ecosystem to enable competitive online and offline gaming, create localised leagues and boost e-sports as the spectator sports in India.

GamingMonk

Based out of Delhi, GamingMonk is a five year old community focused e-sports start-up, which started out as an e-commerce marketplace for consoles, gaming titles and other accessories, and later pivoted to become an organiser of e-sports events. GamingMonk claims to have organised more than 200 competitive tournaments across the country with 35,000 participants. The platform hosts tournaments of games such as PUBG, CS:GO, DOTA 2, FIFA, Call of Duty, and Clash Royale. It recently raised USD100,000mn from a Japanese firm GameWith, Inc. Other investors include Incubate Fund, Stellaris Venture Partners, Smile Group and AdvantEdge.

U Sports

Founded by Ronnie Screwvala and Supratik Sen with a focus on three sports (kabaddi, e-sports and football), U Sports launched a month-long championship called U Cypher in January 2018 with an attempt to bring the flavour of e-sports on linear TV in India. The league with 35 episodes aired on MTV with games such as Counter Strike Global Offensive (CS:GO), Defense of the Ancients 2 (Dota 2) and a prize pool of INR5mn.

JetSynthesys

A leading digital entertainment and gaming company, JetSynthesys hosts mobile sports, or m-sports, contests in India—the most prominent one at CII's India Gaming Show in Bengaluru, from January 19 to 21, 2018. The JetSynthesys m-sports arena witnessed real-life competitions played by players across the top mobile games in the country such as Ludo King, Asphalt 8 Airborne and Doodle Army 2 with qualifiers and finals for each game.

Table 6: E-sports in India: Growth drivers and challenges

Growth Drivers of E-sports	Challenges faced by E-sports
Rapid growth in digital infrastructure	***Monetisation challenges***
Inrease in internet penetration against the backdrop of high speed data availability coupled with affordable smartphones	Current structure around media rights for e-sports limit the entry of competitive gaming into traditional media and the amount of money potentially connected to it.
Favourable demographics and rising disposable income	***Lack of awareness***
India enjoys a favourable demographic, with a young median age of 28 years. This relatively young population with increasing disposable incomes are expected to be early adopters of digital/online gaming	Lack of awareness remains a concern for the industry. Fostering a clearer understanding of the e-sports segment would be crucial in terms of being able to harness the segment's true potential.
Interest of international e-sports organisations	***Geographical expansion***
With growing interest among Indian gamers, some of the prominent e-sports companies, like ESL, COBX have started organising e-sports tournaments in India	Most of the e-sports tournaments happen at a national level only, due to lack of local support and dearth of sponsors. For the sport to truly gain traction, adoption at local/regional levels would be paramount in the future.
Growth in investments	***Advertiser association with e-sports***
With an increase in demand for competitive games, gaming companies like Nazara and COBX are making substantial investments towards developing the e-sports ecosystem in India.	Due to prejudices against competitive gaming, many brands are still reluctant to associate themselves with e-sports.
Viable career options	***Regulatory challenges***
The rising adoption of e-sports has created an ecosystem of opportunities across the value chain, resulting in e-sports being a viable career option for people associated with the segment.	It is of utmost importance that an e-sports governance system be modelled in compliance with all the existing norms of the Sports Code and Indian Olympic Association (IOA) requirements.

Source: Edelweiss Research

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