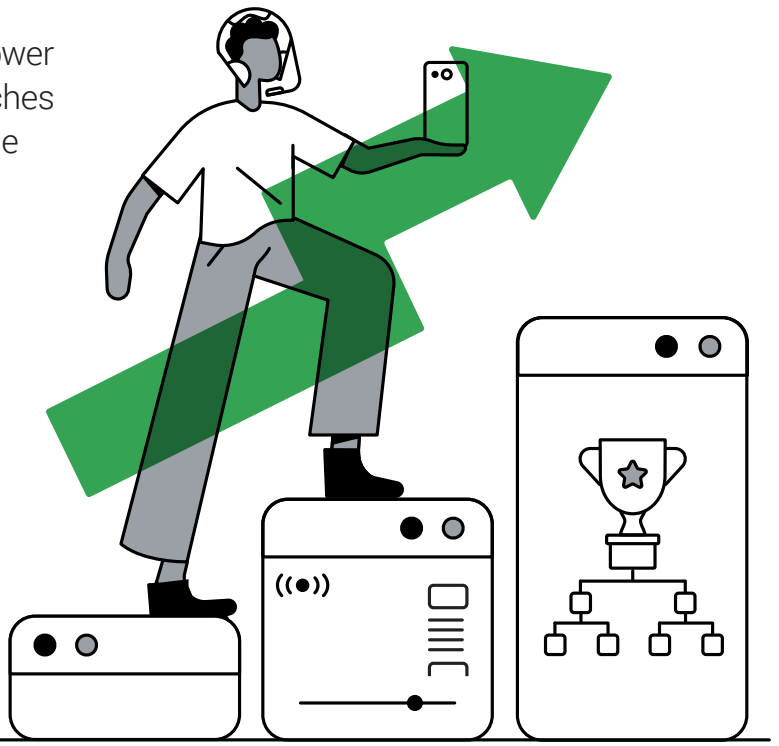
Rise of the player-fan: The growing opportunity of mobile esports in Asia

Esports — organized video game competitions between fully fledged professional teams or amateur players — has transformed gaming on a global scale by giving spectators the power to participate. But as mobile technology catches up to its PC and console counterparts, mobile esports is quickly taking the spotlight — and gamers in Asia are stealing the show.

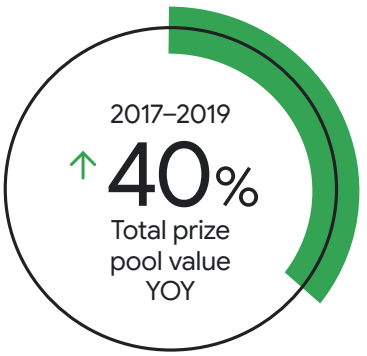
In the second installment of our new series of insights on Asia's gaming market, commissioned and organized in partnership with Niko Partners, we explore the growth of mobile esports, the impact of COVID-19 on at-home gaming and streaming, and ways gaming developers and executives can tap into gamers' desire for connection, competition, community, and completion.

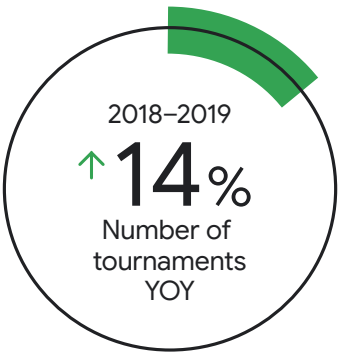


Asia: The home base for esports fandom

Looking back on the first organized esports events, it's hard to believe players would one day compete for million-dollar prizes. But as more people gain access to the internet and esports universe, investments from sponsors and retailers are skyrocketing.

Global esports over the years





Nowhere is esports more popular than Asia. Home to more than 1.5 billion gamers, Asia has been a long-time leader in key markets including **South Korea, China, Japan,** and **Southeast Asia.**

South Korea

Birthplace of professional esports

Professionally licensed players since **2000**

China

350M esports fans across all platforms

Highest esports revenue globally in 2019

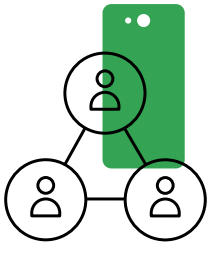
Japan

Founded **Japan Esports Union** (JeSU) in 2018

Esports revenue grew **13X YOY** in 2018 after changes to prize pool regulations

Southeast Asia

The **2019 SEA Games** was the **first Olympic Committee-sanctioned event** to feature esports as a **medal event**



Cultivate a community
Asia's established gaming infrastructure and passion for esports presents an opportunity to connect with millions of people beyond the game itself. Top titles such as "Fortnite" and "Mobile Legends: Bang Bang" have shown that fostering an audience of avid player-fans is a fast track to meaningful user engagement.

Unpacking the mobile esports revolution

Following the global explosion of esports, mobile game developers looking to build on console and PC's success shifted their focus to the hottest esports genres: multiplayer online battle arenas (MOBAs), shooter/battle royale games, and strategy/auto-battlers.

Tencent 腾讯

"Honor of Kings/Arena of Valor"

MOONTON

"Mobile Legends: Bang Bang"

***Most profitable** and **most downloaded** mobile esports titles in Asia since 2016*

Within a few years, millions more gamers across Asia joined the ranks and were eager to compete with a growing community.

In 2019, battle royale games were the most popular and profitable mobile esports titles in Asia (excluding China).

Cultivate a community

The growth of PC and console esports has been limited by hardware access to smaller player counts. By breaking down those barriers and reaching a larger audience, free-to-play mobile games have the potential to outperform traditional esports giants — mobile esports productions and audiences are already poised to outpace PC esports globally.

Why mobile esports is thriving in Asia

A few factors have positioned Asia as an early leader in the mobile esports realm: an established audience of esports players and fans, a robust internet cafe (icafe) infrastructure, and prominently mobile-first consumers in key markets.

A huge (and growing) mobile population

The breakneck speed of mobile penetration has been a powerful catalyst for the growth of mobile esports. Markets like China, India, and Southeast Asia are already making a dramatic impact on mobile gaming.

China + Southeast Asia in 2019

850M mobile gamers

+$28B in annual mobile gaming revenue

World-class mobile technology and infrastructure

PC and console games have boasted historically faster connections and sharper graphics than mobile. But new developments are bringing mobile games up to speed, including **better smartphone hardware, cloud gaming,** and **5G networks.**

Dedicated **gaming mobile phones** with enhanced features — **ultra-fast displays, high-speed processors, and console-inspired designs** — give mobile gamers a competitive edge.

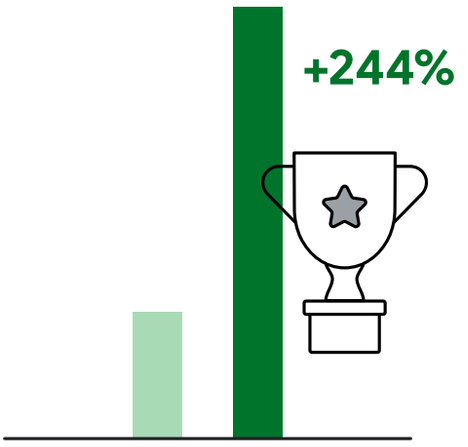
Cloud gaming allows mobile gamers to play high-spec titles (e.g., PlayStation Now, Microsoft's Project xCloud, GeForce Now, Tencent Instant Play, and Stadia*) **without requiring the typical hardware.**

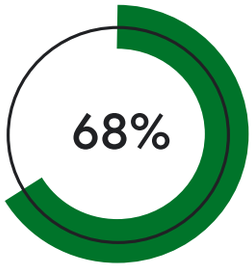
Greater bandwidth and **faster download speeds** create a level playing field across platforms. Most countries in Southeast Asia plan to **roll out 5G in 2020**.

**Currently not available in Asia*

Widespread icafes, events, and sponsorships

Existing icafes have been used to host mobile esports events in key markets, and their popularity has inspired new development and intensified market competition.





of global mobile esports game revenue in 2019 was driven by Asia alone ($13B).

2018 2019

Driven by **mobile esports** competitions, the **prize pool value** for esports tournaments in Southeast Asia grew **244%** between 2018 and 2019.

Local live streaming platforms

The increasing availability of streaming platforms has helped connect esports fans and players around the world — and homegrown streaming services in Asia are helping fuel local gaming fever.

China

斗鱼 DOUYU.COM, huya虎牙, bilibili

South Korea

afreecaTV, NAVER TV

Southeast Asia

NIMO TV, Cube TV, LIVE, BIGO LIVE

Japan

OPENREC.tv, niconico

Asia's mobile esports market to watch

Southeast Asia

Generated **$1.9B+** in mobile esports revenue in 2019, and Vietnam leads the region with a 5-year **compounded annual growth rate** of ~**28%**.

China

The world's **biggest mobile and PC esports market** with the **most developed infrastructure** for esports tournaments. In 2019, China generated $7.2B in mobile esports revenue — +**28%** YOY.

South Korea

While PC esports are well-established, Chinese esports company **Fighting Esports Group** and Korean esports organizer **OnGameNet** brought "Honor of Kings" mobile esports to Korea in 2018 as the **Korean King Pro League**.

Japan

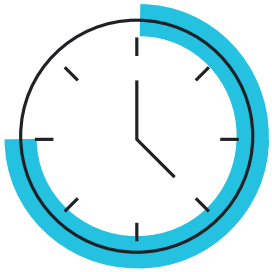
India

Console game publishers remain the largest backers of esports, but Japan's **huge mobile gaming population** (**38M** in 2019) holds strong potential for mobile esports growth.

Mobile esports in India is likely to **grow in line with countries in Southeast Asia** — neither market has a large PC or console gaming audience and its **per capita GDP** and rates of **internet penetration** are similar.

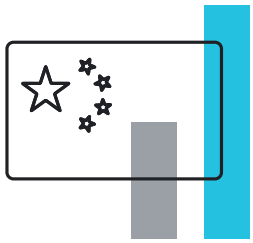
COVID-19's impact on mobile esports in Asia

While the pandemic has temporarily limited the number of esports tournaments at local icafes, retail stores, and shopping malls, at-home gaming and streaming in Asia has seen a huge boost.



↑ up to 75%

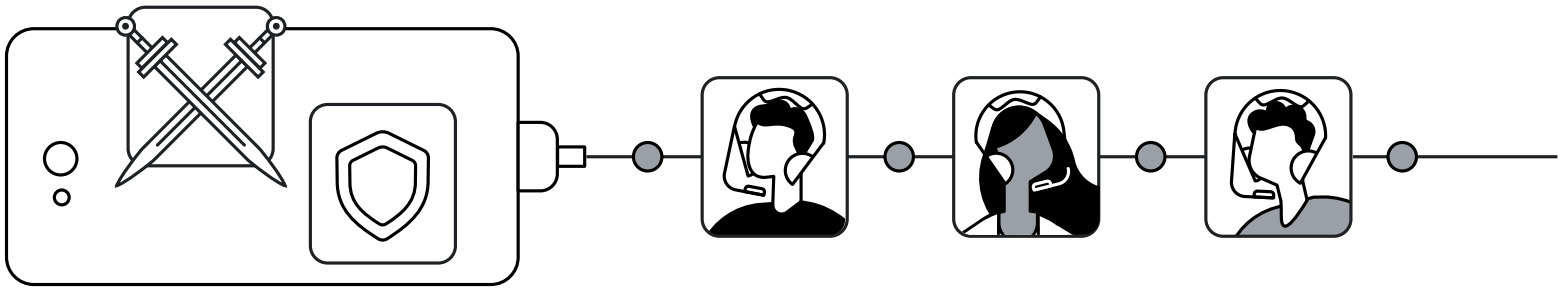
Gamers reported spending 50–75% more time playing games compared to before the pandemic.



↑ up to 100%

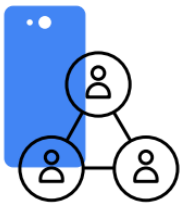
In China, viewership of mobile esports titles grew 75–100% YOY when quarantine was implemented.

Mobile games have been crucial in keeping esports fans connected during social distancing. As quarantine restrictions continue to loosen, gamers across Asia will be able to access the venues that fueled their esports fandom for years.



Unlocking the mobile esports opportunity

Asia's gamers crave competition, community, completion, and challenge — and mobile esports is a universal portal to that experience. Here are three ways developers can tap into the growing community of mobile esports fans in Asia:



Plan for mobile to engage the largest audience
Southeast Asia has 50% more mobile gamers than PC. Even in China, mobile gamers outnumber PC gamers two to one. Design or adapt for mobile gameplay to tap into passionate esports communities in all corners of the world.

Branch out and appeal to new interests
Asia's top mobile esports genres are more diverse than PC and console, from casual games like "Pokemon GO" to hardcore titles like "Honor of Kings." Experiment with atypical genres, gameplay options, and in-game features to entice a wider audience.

Give gamers the power to participate
While 60% of gamers in China and Southeast Asia say they're strongly drawn to esports, only 10% have participated
in mobile esports competitions. Stoke new competition by sponsoring or hosting tournament platforms for popular titles, encouraging streamers to host their own tournaments, or even promoting small esports events on

Sources
1 Google/Niko Partners, "Level Up: A Guide to Succeed in Asia's $70B Gaming Market," June 2020.