# Rise of the player-fan: The growing opportunity of mobile esports in Asia
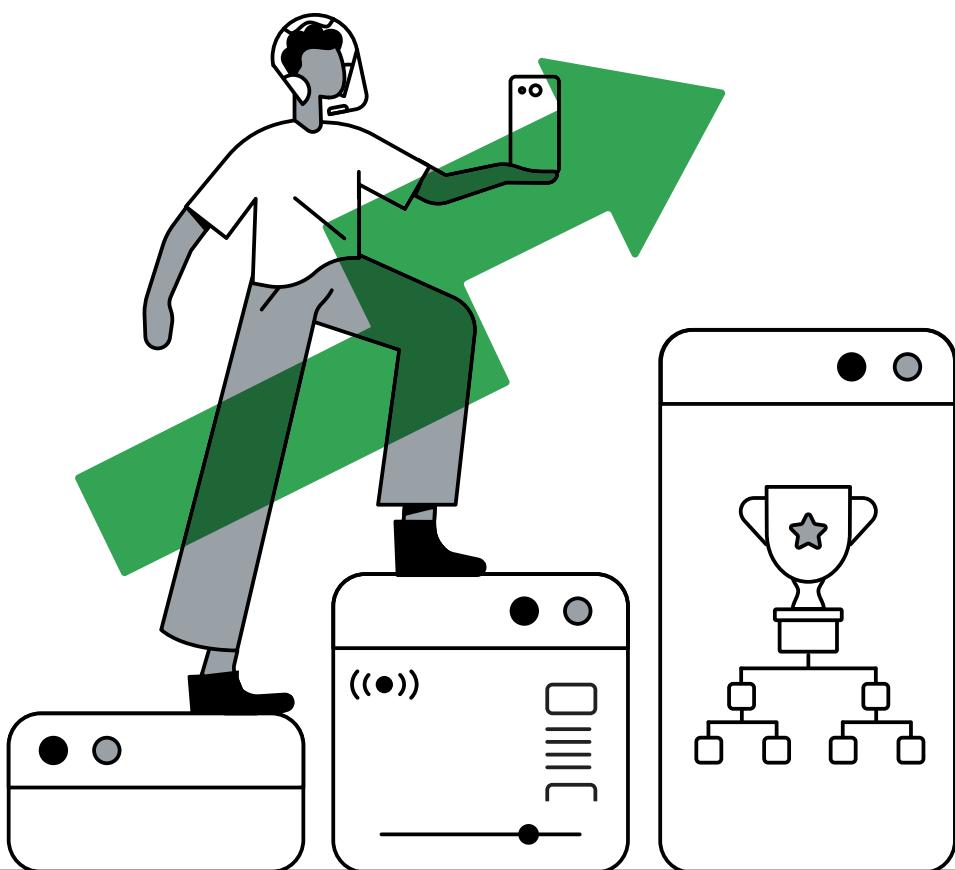
For most gamers, the only thing better than playing is being able to share the experience. And since the early days of PC and console games, people have been eager to come together and compete, conquer challenges, and join a global community of players and fans.

In the last decade, esports — organized video game competitions between fully fledged professional teams or amateur players — transformed gaming on a global scale by turning it into a spectator sport. Esports events and tournaments engaged the community in an entirely new way by going beyond the game itself to invite fans into an immersive live experience, whether in-person at local events or shared with millions via live streaming platforms such as YouTube and Twitch. And as COVID-19 lockdowns forced internet cafes (icafes) to close and gamers to follow the action from home, players and fans have more time than ever to engage with their favorite esports titles.

By helping foster a dedicated audience of player-fans, esports has propelled many of the world's top titles like "Fortnite," "PlayerUnknown's Battlegrounds (PUBG)," and "Mobile Legends: Bang Bang" to unprecedented levels of success. But more importantly, it's revealed that driving meaningful user engagement is about more than designing a great game — it's about competition, completion, challenge, and community.

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. Home to more than 1.5 billion gamers[1] and a fast-growing mobile population, Asia is poised to show the world that mobile esports is the next evolution in player-fan engagement.

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 around the world gained access to the internet and the world of esports, investments from sponsors and retailers have skyrocketed.

In just the last year, there have been 14% more esports tournaments staged around the world after falling 5% between 2017 and 2018.[2] Global prize pools have also grown by 40% since 2017, eventually exceeding a quarter-billion dollars in 2019.[3]

Global esports over the years

Prize pool values

2017
$116.5M

2018
$163.7M

2019
$228M

↑ **40**% Total prize pool value YOY

2018–2019

↑ **14**% Number of tournaments YOY
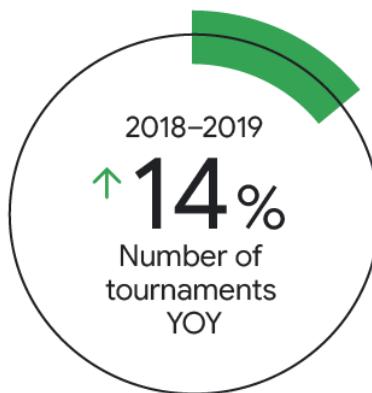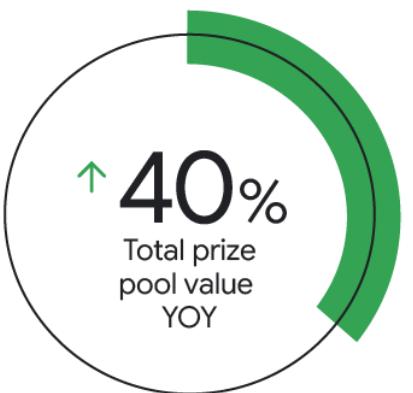
As a long-time global hub for gamers, Asia has historically been an esports leader in key markets:

- **South Korea** — the birthplace of esports — has been a major force in the industry for over a decade and continues to be one of the largest esports markets in terms of earnings and industry development (e.g., icafes, local tournaments, and sponsored events).[4]

- **China** holds the world's largest single-country population of esports fans across all platforms at **350 million.**[5] Gamers in China drove the most esports revenue in 2019, and every one of the country's top games on mobile and PC (by revenue and player base) are esports titles.[6] China's Ministry of Education has even worked to add esports and gaming into higher education and vocational training curricula to boost the country's competitiveness on the world stage.

- **Japan and Southeast Asia** are quickly catching up. Following regulatory changes allowing esports events to offer more competitive prize pools as well as the establishment of the Japan Esports Union (JeSU) in 2018, Japan's esports market revenue grew **13X year-over-year.**[7] In Southeast Asia, the majority of gamers said they've played an esports title either casually or competitively,[8] and the 2019 SEA Games was the first Olympic Committee-sanctioned event to feature esports as a medal event.

Thanks to its robust gaming infrastructure, Asia has been equipped to foster an avid base of esports fans since the mid-2000s. Web gaming platforms as well as retail locations, internet cafes (icafes), and food and beverage locations have used small-scale PC and mobile esports events to attract gamers and sell merchandise and in-game items. Games with larger audiences bring in more advertisers and sponsors, which ultimately empowers its marketing teams to host larger, more lucrative esports productions.

While this helped grow the reach and popularity of certain PC and console games, the size of esports productions has been limited by smaller player counts having access to the right hardware. For instance, PC esports has thrived in markets like China and Southeast Asia where console ownership is low, but it only accounts for a small percentage of esports revenue in Japan, where more gamers play on consoles than PC.

That's where mobile technology has been a game-changer. Anyone with an internet connection and a mobile phone can participate in the world of esports, whether they're competing at home or watching a live stream while waiting in line at the store. With the hardware barrier to entry lifted, mobile has increased accessibility and exposure to a multitude of multiplayer games.

In 2019, Asia drove more than 22 billion total downloads of mobile games.[9] As mobile games continue to surge in popularity, top titles like "PlayerUnknown's Battlegrounds (PUBG) Mobile," "Fortnite Mobile," and "CrossFire Mobile" have demonstrated that free-to-play games have the potential to outperform the traditional giants by reaching a larger audience.

Unpacking the mobile esports revolution

Following the global explosion of esports, mobile games started to transition from simpler titles that only required a single click or swipe to mid-core and hardcore titles with complex control schemes. Mobile game developers looking to build on the success and style of PC esports shifted their focus from massively multiplayer online role-playing games (MMORPGs) to the hottest esports genres: multiplayer online battle arenas (MOBAs), shooter/battle royale games, and strategy/auto-battlers.

"Vainglory," a mobile game launched in 2014, was modeled after PC MOBA games like "League of Legends" and "Defense of the Ancients (DOTA) 2." Within a year, "Vainglory" was officially recognized as an esport by the Electronic Sports League (ESL), and other mobile esports titles soon followed. Tencent's "Honor of Kings/Arena of Valor," Supercell's

"Clash Royale," and Moonton's "Mobile Legends: Bang Bang" were all mobile games released in the next two years that featured high-skill, real-time, simultaneous multiplayer competition. Since then, "Honor of Kings/Arena of Valor" and "Mobile Legends: Bang Bang" have been the most profitable and most downloaded mobile esports titles in Asia since 2015 and 2016, respectively.[10]

Tencent 腾讯   ⦿ MOONTON

"Honor of Kings/Arena of Valor"   "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 were joining the ranks to compete with a growing community. In 2019, battle royale games became the most popular and profitable mobile esports titles in Asia, with China as the sole exception.[11]

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

Thanks to the ubiquity and evolution of mobile technology, more fans and players can be a part of the growing esports community, and mobile esports productions and audiences are poised to quickly outpace PC esports on a global scale. In 2019, mobile esports games generated $19.5 billion in global revenue — and 68% of that revenue ($13.3B) was generated by Asia alone.[12]
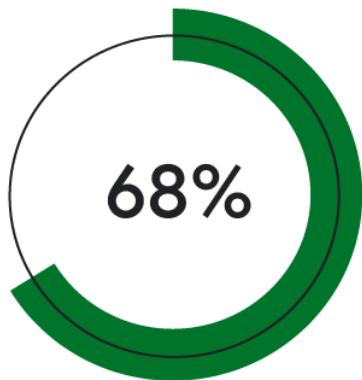
68% of global mobile esports game revenue in 2019 was **driven by Asia alone ($13.3B)**.

Mobile esports in the wake of COVID-19

While the COVID-19 pandemic has temporarily limited the number of local tournaments hosted at icafes, retail stores, and shopping malls, gaming and streaming have only grown more popular during quarantine. Gamers in Asia reported spending between 50% and 75% more time playing games compared to before the pandemic.[13] And in China, viewership of mobile esports titles grew between 75% and 100% over the previous year.[14]

COVID-19's impact on mobile esports in Asia

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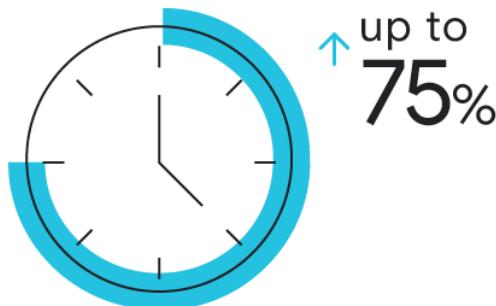
Gamers reported spending **50–75%** more time playing games compared to before the pandemic.

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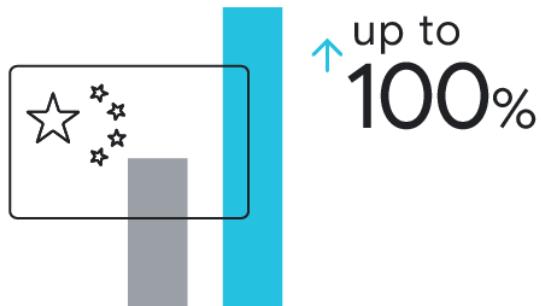
In China, viewership of mobile esports titles grew **75–100%** YOY when quarantine was implemented.

Mobile's ease of access has allowed esports fans to stay connected despite the physical distance, and as quarantine restrictions continue to loosen, gamers across Asia will be able to access the venues that have fueled esports fandom for years.

Why mobile esports are thriving in Asia

A few factors have positioned Asia as an early leader in the mobile esports realm: an established and growing audience of esports players and fans, a robust esports infrastructure for hosting events and attracting sponsors, and a prominently mobile-first (in some cases mobile-*only*) audience of gamers in emerging regions.

A huge (and growing) mobile population
The breakneck speed of mobile penetration has been a powerful catalyst for the growth of mobile esports. In 2018, 3.6 billion people (nearly half the world's population) used their mobile phones to go online.[15] The number of mobile internet users is projected to rise to 5 billion by 2025,[16] and emerging markets like India and Southeast Asia are already beginning to make a dramatic impact on mobile gaming.

In 2019, China and Southeast Asia alone were home to a combined 850 million mobile gamers and generated more than $28 billion in annual revenue.[17] But here's the kicker: Southeast Asia's impact on mobile esports is just getting started.

China + Southeast Asia in 2019

850M
mobile gamers

+$28B
in annual mobile gaming revenue

IMF data shows that in 2017, just 62% of the population in Southeast Asia had internet access. This rose to 70% in 2018, and by 2021, IMF projects that over 90% of the region will have internet access. And as history has proven, wherever the internet becomes readily available, an avid base of gamers is sure to follow.

World-class mobile technology and infrastructure
While PC and console games once had the upper hand on factors like connection speed and graphics, new developments including improved mobile hardware, cloud gaming, and 5G networks, are bringing mobile esports up to speed with its predecessors.

In the last few years, there's been increased investment in gaming smartphone hardware and peripherals to improve the experience for mobile esports gamers. Manufacturers Asus, Huawei, and Xiaomi have already created dedicated gaming smartphones with enhanced features, including ultra-fast display, high-speed processors, and console-inspired designs.

Cloud gaming will narrow the graphics and performance gap between mobile and PC/console games, therefore allowing mobile gamers to play higher-spec titles. Cloud gaming (e.g., PlayStation Now, Microsoft's Project xCloud, GeForce Now, Tencent Instant Play, and Stadia, which is currently unavailable in Asia) is expected to build gradually over the next few years, offering developers the opportunity to reach and engage new gamers as the market steadily grows.

5G technology will reduce latency for players and result in a better overall user experience. 5G also provides new tools for game development through edge and cloud computing. The Chinese government is already incentivizing 5G and cloud gaming investment,[18] and while markets like Malaysia, Indonesia, and Brunei will likely take longer to build the necessary infrastructure — and plans may change due to COVID-19 or other economic factors — testing is already underway.[19] Most countries in Southeast Asia plan to roll out 5G in 2020.

Widespread icafes, events, and sponsorships
Just as Asia's icafes helped the PC esports industry blossom, existing icafes in key markets such as Korea, China, and Southeast Asia have been used to host and promote participatory esports events, including mobile esports. Before the COVID-19 crisis, the number of mobile esports tournaments at local icafes across Asia was on the rise, especially in Southeast Asia where PCs and consoles are less widely adopted.[20]
As mobile esports events became more popular, they quickly outperformed other mobile

genres across Asia, inspiring new development and intensifying market competition. In 2019, revenue from mobile esports titles in China outpaced the general mobile games market by nearly 10%.[21] And between 2018 and 2019, mobile esports competitions helped drive up the total prize pool value for tournaments in Southeast Asia by 244%.[22]
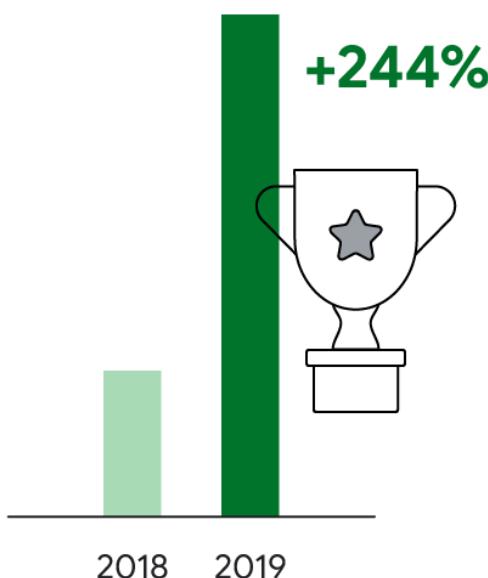
+244%

Between 2018 and 2019, **mobile esports competitions** helped drive up the **total prize pool value** for tournaments in Southeast Asia by **244%**.

Local live streaming platforms
Along with faster, more widespread mobile internet, the increasing availability of streaming platforms have helped connect more esports fans and players. While global platforms such as YouTube and Twitch have been central to the growth and promotion of esports competitions on a large scale, homegrown streaming services in Asia are also making names for themselves while helping to fuel local gaming fever.

Asia's top gaming and esports streaming platforms

China

South Korea

Southeast Asia

Japan

Asia's mobile esports markets to watch

As mobile esports become more popular, the growth will keep snowballing — the market gets more competitive as new titles launch, more players and fans are drawn to the action, and sponsors ultimately drive up the overall value.

Southeast Asia

$1.9B+ in revenue in 2019[23]
21.1% 5-year **compounded annual growth rate** (CAGR)[24]

Most mobile esports events in 2018[25]
1. Indonesia
2. Vietnam*
3. Thailand

largest market in SEA with a 5-year CAGR of ~28%[27]

Most tournament value from esports prizes in 2018[26]
1. Malaysia
2. Indonesia
3. Vietnam*

China

China is already the **biggest market for mobile and PC esports games** globally, as well as the country with the **most developed infrastructure for esports tournaments**.[28]

Mobile esports titles generated **$7.2B** in revenue in 2019 — **+28%** YOY.[29]

In 2016, **Tencent** and **Fighting Esports Group** launched the **King Pro League** — now the longest running mobile esports tournament and the largest mobile esports league in the world, reaching **24B** total views in 2019 compared to 17B in 2018.[30]

South Korea

PC esports is well-established in Korea, leaving mobile esports less room to expand. But in late 2018, Chinese esports company **Fighting Esports Group** and long-time Korean esports organizer **OnGameNet** brought "Honor of Kings" mobile esports to Korea as the **Korean King Pro League**.

India

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

Japan

While console game publishers remain Japan's largest backers of esports, the country's **massive population of mobile gamers** — totaling **38 million** in 2019 — is fertile ground for future growth.[31]

Unlocking the mobile esports opportunity

Mobile esports has shown that nurturing an avid community of player-fans can rocket games to entirely new levels of success. Gamers throughout Asia crave competition, community, completion, and challenge — and mobile esports has become a universal portal to that experience.

Here are a few ways developers can tap into the world of mobile esports to engage a growing community in Asia:

- **Plan for mobile — Audiences are larger and more diverse**
  Mobile technology sparked esports communities in corners of the world where PC and consoles couldn't. In Southeast Asia, there are 50% more gamers on mobile devices than PCs.[32] Even in China, mobile gamers outnumber PC gamers two to one.[33] If your game is exclusively PC or console, adapting for mobile is critical to connect with the widest audience of avid gamers.

- **Branch out to appeal to gamers' new interests**
  The top mobile esports titles in Asia show more genre diversity than PC and console games — from casual games like "Battle of Balls" and "Pokemon GO" to mid/hardcore titles like "Honor of Kings" and "PUBG Mobile." Now is the time to experiment with creating atypical genres, gameplay options, and in-game features to entice a wider audience. Mobile battle royale games only recently rose to popularity in Asia, but by 2019, "PUBG Mobile" and "Garena Free Fire" were India's leading mobile games by revenue,[34] and Tencent's "Peacekeeper Elite" quickly became the second-most streamed game in China after being released in 2019.[35]

- **Give gamers the power to participate**
  While 60% of gamers in China and Southeast say they're strongly drawn to esports, only 10% have participated in mobile esports competitions.[36] Consider building or sponsoring tournament platforms for popular games, or incorporating esports tournament brackets into your own games to stoke new competition. Even using streaming platforms to promote small esports events, or encouraging streamers to host their own tournaments, can build excitement and visibility for your game.

With the largest audience of mobile gamers in the world,[37] it's clear that Asia is primed and ready to lead an esports revolution. As the market continues to develop, expect to see media rights, team franchising, and sponsorships become cornerstones of mass participation from devoted players and fans. Are you ready to ride the next wave into the future of gaming?

Methodology

Niko Partners combines data from game developers and publishers, publicly available data from other sources such as retailers and Chinese app markets, and our own assumptions and qualitative gamer survey results to calculate market estimates and generate lists of leading games. We also regularly interview executives at games and hardware companies as well as government officials. We leverage our own proprietary primary data combined with direct access to a panel of more than four million consumers in China, and millions more throughout Asia, to create deep qualitative and quantitative analysis, market models, and five-year forecasts. Our analysts regularly conduct gamer surveys, interviews, and focus groups throughout China as well as Indonesia, Malaysia, the Philippines, Singapore, Thailand, Vietnam, Chinese Taipei, Japan, South Korea, and India.

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