

Global Entertainment & Media  
Outlook 2019 – 2023

# Global Entertainment and Media outlook 2019 – 2023

## Getting personal: Putting the *me* in entertainment and media

Compare digital and non-digital spend data for **14 entertainment and media segments across 53 countries**



PwC's perspective from the Global and Entertainment and Media Outlook 2019 - 2023

See year-on-year growth with **five-year forecast and five-year historical spend data**



**Download** country and segment data and commentary to PDF



# The rise of e-sports

## What's in it for you?

### Government

- Develop infrastructure (IT, venues, etc.)
- Build national team
- Build e-sports venues
- Promote e-sports tourism
- Grant incentives to other stakeholders
- Revenues from tax and licence fees
- Tournament hosting license fees
- Economic growth
- Improve general city perception
- ▲ Urban masterplan design for e-sports infrastructure
- Infrastructure financing
- Advising on revenue sharing and events & facilities management

### Players

- Participate in competitions (individual or team)
- Entertain viewers
- Enhance sponsors' brand value and exposure
- Prizes from competitions
- Salaries from game developers
- Support from local government
- Perks from sponsors
- Channel subscription fees
- Donation from fans
- ▲ Advising on participation arrangements with players (e.g. facilitating team formation, employment arrangements, etc.)
- Personal tax services

### Sponsors

- Sponsor professional players, leagues and tournaments
- Enhanced brand reputation through sponsorship
- ▲ Data analytics for campaign effectiveness
- Advising on advertising, sponsorship and merchandise arrangements, including endorsement and appearance agreements

### Bookmakers

- Legitimise e-sports in betting markets
- Accept and pay off bets on e-sports
- Sponsor players
- Gamblers' betting money
- ▲ Design and development of online betting systems for young/digital-savvy audience
- Provision of e-sports analytics to better calculate betting odds
- Advising on regulations applicable to bookmaking and betting activities

### Media/Broadcasters

- Provide platforms to watch e-sports competitions
- Create and organise own e-sports competitions
- Advertising fees
- Viewer subscription fees
- ▲ Customer analytics to identify optimal television broadcast schedule to maximise no. of viewers
- Tax considerations for new business models in evolving pay environment
- Advising on media and broadcasting matters

### Role of stakeholder

### Revenue streams and benefits

### How PwC can help



### Media/Broadcasters

- Provide platforms to watch e-sports competitions
- Create and organise own e-sports competitions
- Advertising fees
- Viewer subscription fees
- ▲ Customer analytics to identify optimal television broadcast schedule to maximise no. of viewers
- Tax considerations for new business models in evolving pay environment
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### Organisers

- Create and manage leagues and tournaments
- Serve as marketing medium for sponsoring brands
- Corporate sponsorships and government subsidies
- Merchandise and ticket sales
- Hosting fees from game developers and distributors
- ▲ Assurance reports
- Leveraging PwC's 'Experience Centre' to create an unparalleled viewer experience
- Tax advisory for operators in multiple territories
- Advice in relation to government regulations for tournament organisation
- Advising on IT acquisitions, general commercial procurement and supply chain arrangements

### What is e-sports?

E-sports is a multiplayer video game played competitively, usually by professional gamers.

### Developers/Publishers

- Develop and publish games
- Grant licenses to distributors and organisers
- Sales of gaming content
- ▲ Monetisation strategy and path to profitability
- Merger and acquisition / vertical integration advice
- Advising on IP development, assignment, licensing and commercialisation arrangements

### Others (e.g. distributors, manufacturers, etc.)

- Distribute gaming content through digital or hardware
- Manufacture gaming equipment
- Operate e-sports-themed establishments (e.g. cafes, restaurants, shops etc.)
- Sale of gaming products and equipment
- ▲ Monetisation and distribution strategy
- Customer analysis to capitalise on market preferences
- Advising on consumer law regulations between gaming companies and participants

### Corporate social responsibility

- Investments into infrastructure and pioneering technologies to grow the e-sports industry and country's economy
- Encourage responsible gaming and civil online behaviour
- Prevent and discourage underage population from gambling
- Assess and limit environmental impact of e-sports events (e.g. pollution, energy-efficient venues etc.)
- Advising on investment, collaboration and alliance arrangements to foster technology innovation and infrastructure

# E-sports



# e-Sports vs. Video game



e-Sports



Video games



# e-Sports vs. Sports video game



e-Sports



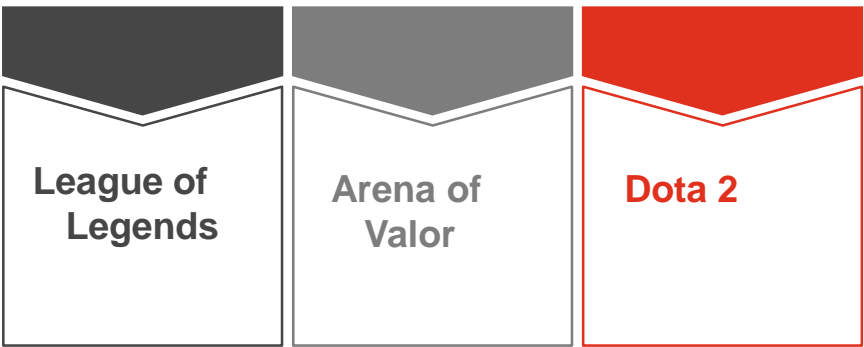
Sports video game



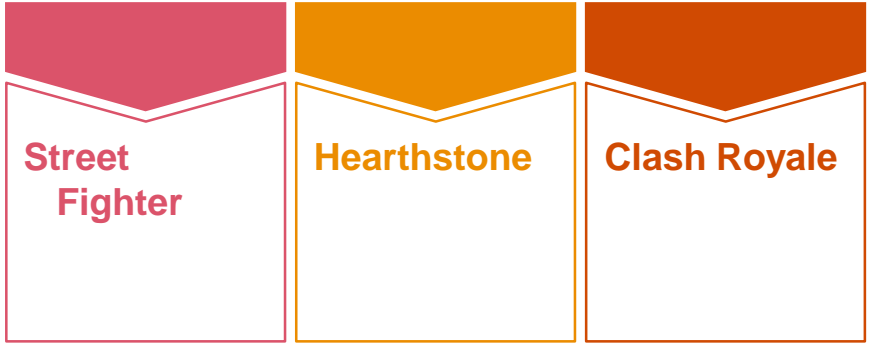
# Types of e-Sports tournament



Team based



Individual based



# The US, China, Japan and South Korea dominate the video games market and will represent 69% market share by 2023

## e-Sports top countries by 2023 revenue and growth 2018-2023



- Top 10 e-Sports countries by revenue 2018
- Top 10 e-Sports countries by CAGR 2018-2023
- Countries on both lists

Source: PwC Global Entertainment & Media Outlook 2019-2023, [www.pwc.com/outlook](http://www.pwc.com/outlook)

### Top 10 e-Sports countries by revenue 2023

US	France
China	Japan
South Korea	Canada
Germany	Russia
UK	Spain

### Top 10 countries with highest CAGR 2018-2023

Saudi Arabia	Brazil
India	Mexico
Indonesia	Japan
Nigeria	South Africa
Turkey	Italy

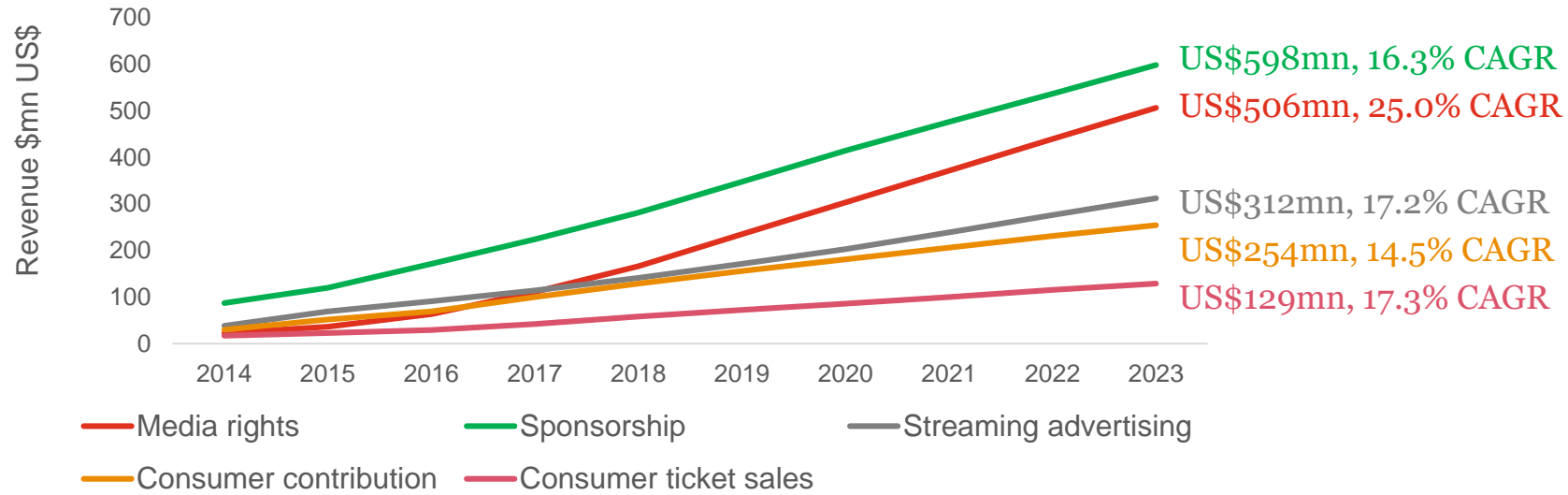
### Countries on both lists

Japan



# e-Sports total global revenues of US\$1.8bn in 2023. Sponsorship remains largest by revenue in 2023

Sub-segment e-Sports revenue 2023: Global, US\$1.8bn

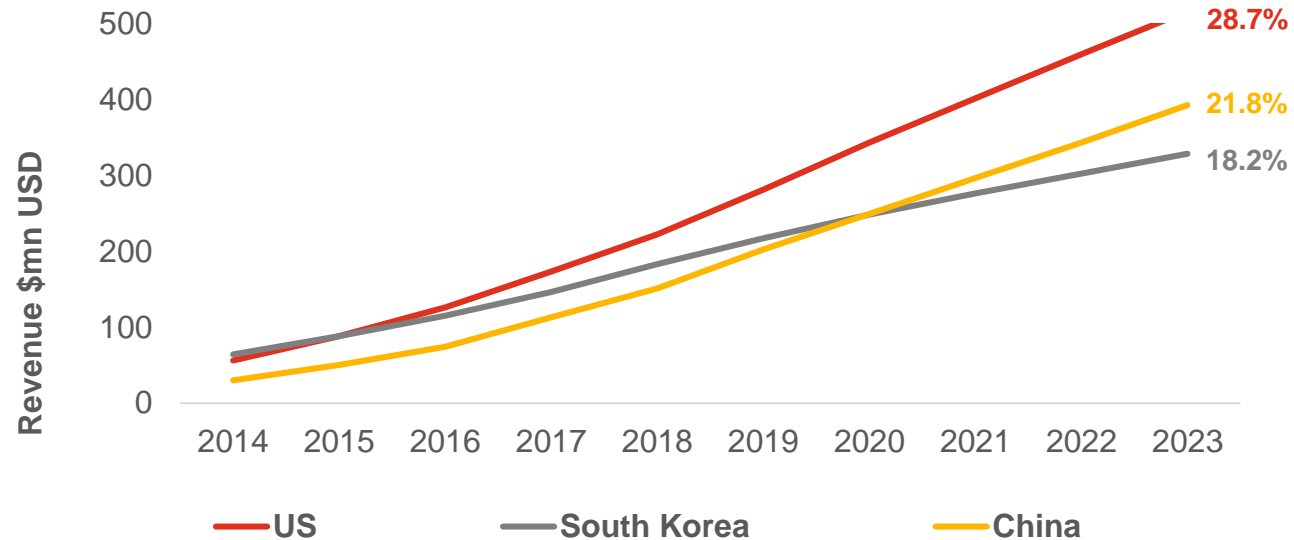


- Sponsorship remains the largest sub-segment through 2023 with media rights approaching a tipping point
- e-Sports represents another face-off in growing convergence of TV and Internet companies vying for content exclusivity
- Media rights revenue in e-Sports is still comparatively small
- As the scramble for attractive intellectual property intensifies, an increase at a 25% CAGR is anticipated to 2023

Source: PwC Global Entertainment & Media Outlook 2019-2023, [www.pwc.com/outlook](http://www.pwc.com/outlook)

# China is projected to overtake South Korea in 2020

Sub-segment e-Sports revenue : Global, US\$1.8bn

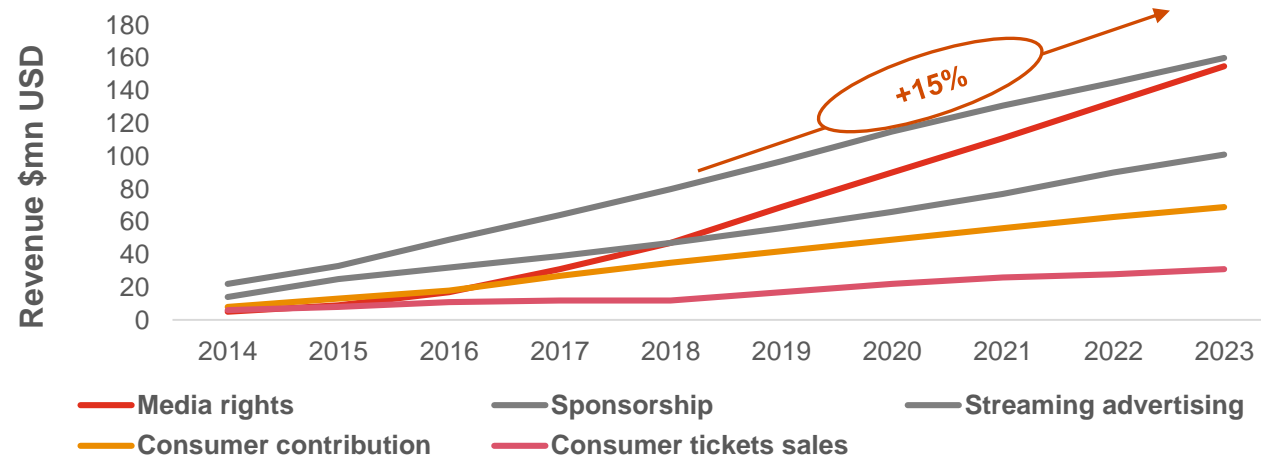


- *The US is projected to take the lead over the next five years*
- *China is the second largest market with a \$124mn gap from the largest market by 2023 (will overtake South Korea by 2020)*

Source: PwC Global Entertainment & Media Outlook 2019-2023, [www.pwc.com/outlook](http://www.pwc.com/outlook)

# e-Sports total US revenues of US\$516mn in 2023. Sponsorship remains largest by revenue in 2023

Sub-segment e-Sports revenue 2023: US, US\$516mn

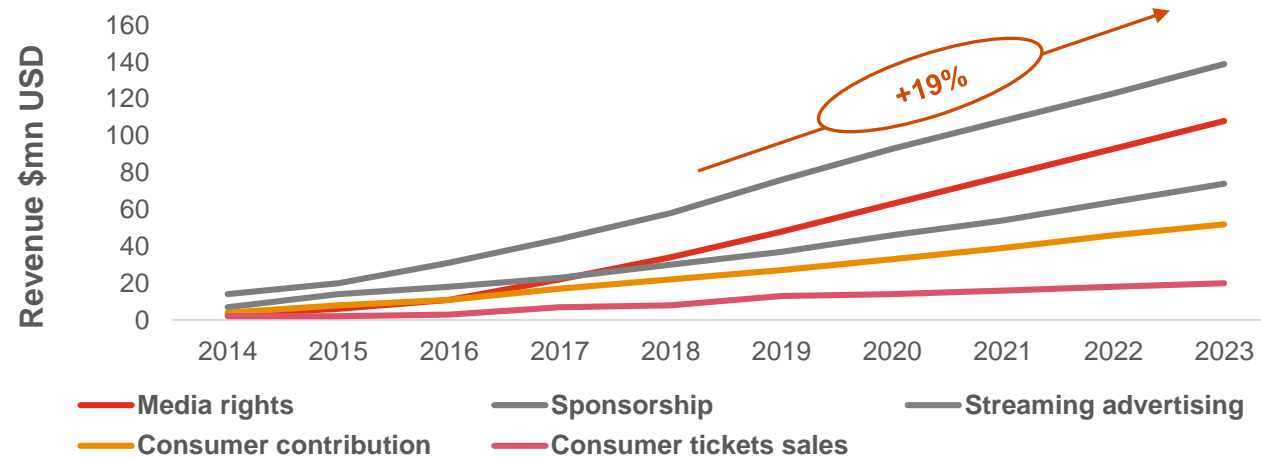


*Sponsorship and media rights revenue in e-Sports are the main drivers in the segment and increase at a 14.7% and 26.8% CAGR respectively to 2023*

Source: PwC Global Entertainment & Media Outlook 2019-2023, [www.pwc.com/outlook](http://www.pwc.com/outlook)

# e-Sports total China revenues of US\$392mn in 2023. Sponsorship remains largest by revenue in 2023

Sub-segment e-Sports revenue 2023: China, US\$392mn



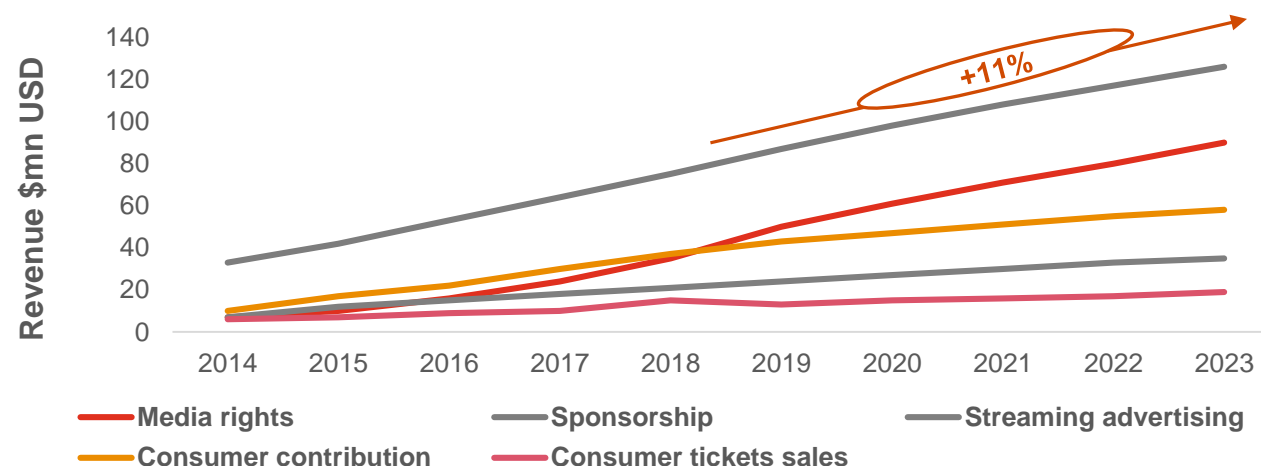
*Sponsorship and media rights revenue in e-Sports are the main drivers in the segment and increase at a 19% and 26.4% CAGR respectively to 2023*

Source: PwC Global Entertainment & Media Outlook 2019-2023, [www.pwc.com/outlook](http://www.pwc.com/outlook)

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# e-Sports total South Korea revenues of USD \$328mn in 2023. Sponsorship remains largest by revenue in 2023

Sub-segment e-Sports revenue 2023: South Korea, US\$328mn



*Sponsorship and media rights revenue in e-Sports are the main drivers in the segment and increase at a 10.9% and 20.5% CAGR respectively to 2023*

Source: PwC Global Entertainment & Media Outlook 2019-2023, [www.pwc.com/outlook](http://www.pwc.com/outlook)

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# Current development in e-Sports in Asia

## Recent and upcoming e-Sports tournaments in Asia:

FIFA 19 FUT  
Champions Cup  
Singapore  
March 2019



ESL Clash of  
Nations: Arena of  
Valor  
Jakarta, Indonesia  
March 2019



WESG  
Chongqing,  
Mainland China  
March 2019



Dota 2 Tournament  
Shanghai,  
Mainland China  
August 2019



# PwC e-Sports Tournament



# PwC e-Sports Tournament 🎮





# PwC e-Sports Tournament



# Hong Kong's competitive advantages as an e-Sports hub

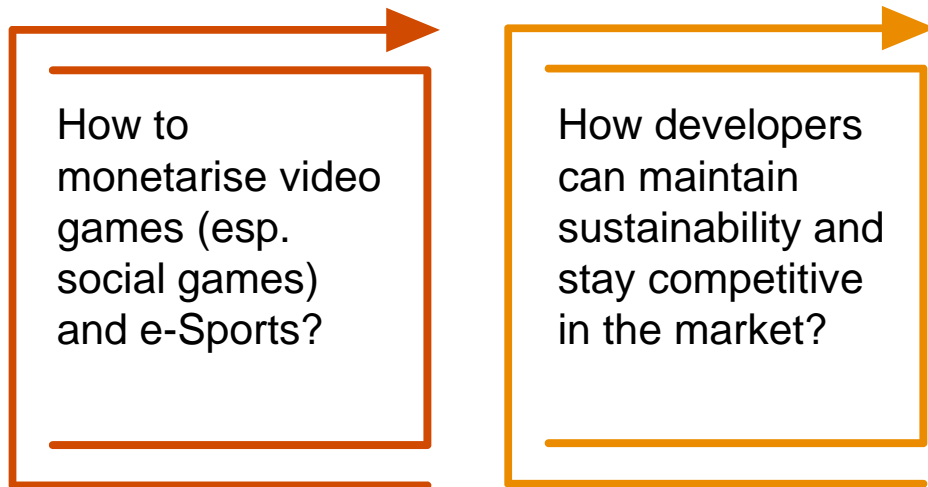
e.g. increasing mobile penetration, broadband access, gaming market & revenue, etc.



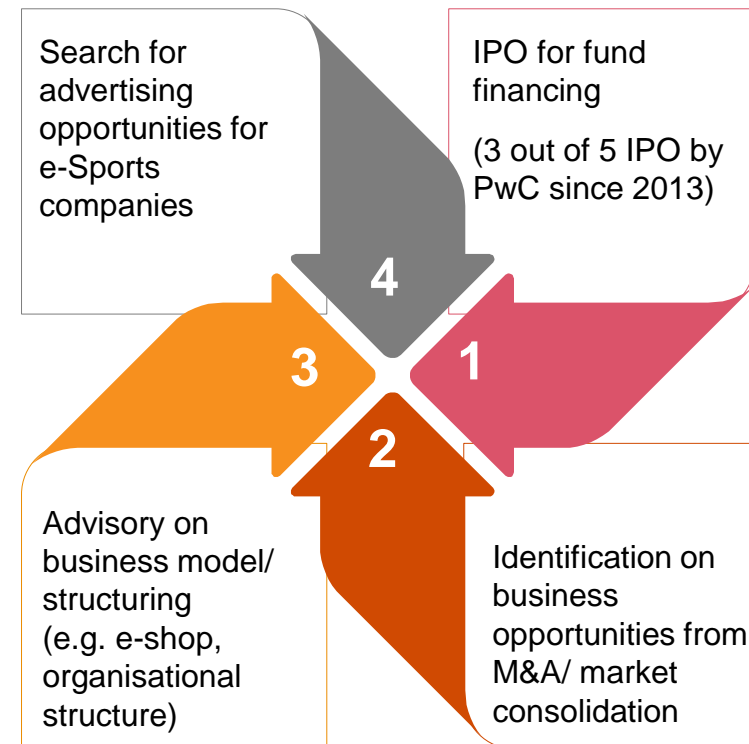
global exhibitions and international sporting events

# Associated risks and solutions

## Risks and difficulties



## Possible solutions



# Contact us



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# Thank you

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