



Impact of the E-sports Industry on Chinese Social Economy

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ABSTRACT. Chinas' E-sports industry have the largest population of game players in the worldwide, Currently, over 600 million people, play games on phones, computers or game consoles. The impact of E-sports Industry has comprehensive influence on Chinese Social Economy since 2013. With the support of local industrial policies and innovations such as the 5G technology, the esports industry will grow faster than ever in the years. Therefore ,the E-sports industry possibly become one of the most promising ones in China to come.

Keywords: Quantitative and Qualitative Research / eSports / Social Development

1 INTRODUCTION

Since the turn of the century, e-sports has been increasing as a global cultural phenomenon, drawing both players and spectators in great numbers. Teenagers make up the bulk of it. This cultural trend, which is spreading worldwide due to various circumstances, will have a significant and far-reaching impact on the economy and society. Electronic games are the origin of e-sports, and the e-sports sector is evolving toward professional and competitive sports after decades of development. The world e-sports industry has moved from the first round of the e-sports industry circle that began in 1998 to the second cycle of the e-sports industrial wave at present, and the center of e-sports industry is now relocated in China [1]. Therefore, it's important to not only recognize the new opportunities that e-sports bring to the economy, technology, and sports, but also to adhere to the laws of business, sports, and social development, as well as to address the many issues that have arisen in the negative development of e-sports industry.

2 UNDERSTNDING E-SPORTS

Sports have long played a significant role in human culture. Every culture has always valued sports in one way or the other, and this is still true today. With the advancement of technology, new games and sports entered the modern life [1]. Video games are becoming one of the most popular forms of exercise and leisure, not only among

children and teens, but also among adults. The first standalone video games, like Space Marine and Pong, were created in 1962 and 1972, respectively. Over the last five decades, video games have evolved into more competitive and team-based games that can be played through multiplayer online environments, where different people can play against each other. In the world of competitive gaming, a new video game that was recently released was professionalized and has become a viable job option for many people. This brand-new competitive video game is known as “electronic sports” (e-sports) [1]. South Korea was the birthplace of the competitive video game community. A backdrop for competitions was supplied by the popularity of “RealTime Strategy” (R.T.S.), “First Person Shooter”, and “Massive Multiplayer Online Role-Playing Games” (MMORPGs), not only in South Korea but also in other areas and nations. Today, a large number of video game players all around the world identify as professionals when playing so-called e-sport games. E-sports have grown to be one of the most well-liked and important aspects of the video game community, especially among young people.

3 E-SPORTS’ ECONOMIC INFLUENCE

Over the past decade, e-sports has had a considerable economic influence. Huge competitive tournament will bring a lot of profit. Today, 1.3 billion people throughout the world know about e-sports (up 15% from 2016), including 194 million “occasional viewers” and million “enthusiasts” of e-sports[7]. Just as many fans from all over the world came to Russia for the 2018 World Cup, many supporters would like to watch live competitions. Gaudiosi stated that 112 significant e-sports events in 2015 brought in \$20.6 million in ticket sales[7]. Additionally, the League of Legends World Championships at the Staples Centre in Los Angeles, California, sold out of all available seats in 2013 and 2016 [1]. The cheers and celebrations from the venues can more accurately portray the supporters’ love for their preferred e-sports athletes and teams. As a result, holding e-sports contests can bring in a lot of money for the organizers.

Second, with the popularity of e-sports, the third industry business will grow rapidly. E-sports is the dominant platform for new network broadcast. For example, Twitch, the world largest online gaming broadcasting network, was purchased by Amazon in 2014 for \$970 million. Executives from Amazon are examining the streaming industry’s possible effects [1]. Broadcasting and viewing gameplay is a worldwide phenomenon. Twitch has created a platform that unites tens of millions of viewers who watch billions of minutes of games each month, from Mario breaking the world record to gaming conventions like E3. Twitch’s e-sport gaming growth demonstrates how e-sports has aided the live broadcasting sector in assuming a leadership role in the developing tertiary sector, fostering social and economic development.

The growth of Chinese e-sports and the expansion of the broadcast platforms business are closely related. A recent analysis stated that “since entering the period of rapid development of the primary stage of socialist society in 2009, the Chinese e-sports and streaming business have enjoyed tremendous growth year after year”[9]. The business has seen tremendous investment from Chinese investors, particularly in the different

Internet streaming platforms. Chinese juggernaut Tencent recently declared that it would invest \$13 billion in streaming and e-sports [1]. For instance, DOUYU TV, the most popular video streaming service in China, established in 2013, has more than 100 million registered members and 15 million active users daily. Additionally, DOUYU's competitor HUYA TV brought in about \$1.2 billion in income in 2016. Due to these huge revenues and customers, business giants from various industries are gradually entering the e-sports market.

Thirdly, the e-sports sector is estimated to be about \$900 million at the moment, and that sum will increase in the coming years[8]. The prizes and viewership grow with each tournament. (2018) Andrew Meola As a result, e-sports' huge financial success draws prestigious sponsors to the sector every year. The Newzoo reports that "companies will spend \$197 million on advertising around e-sports video content, and \$128 million on sponsoring e-sports teams and tournaments". E-sports is being sponsored by an increasing number of the biggest brands in the world, including Coca-Cola, Red Bull, Intel, and Nissan. For instance, the league of legends program was sponsored by Coca-Cola, the largest beverage business in the world. To host the league of legends world championship in the United States in 2016, Coca-Cola teamed up with Riot Games [1]. In Canada, Europe, and the U.S., there were more than 200 simultaneous e-sports watching events. These sponsors not only developed an interest in e-sports, but also pushed the economic development. As a result, e-sports' development is directly tied to the recent decade's explosive growth of the developing service sector.

4 SOCIAL ISSUES AND E-SPORTS

In terms of resolving social problems, e-sports has a lot to offer. Firstly, as a necessary component of e-sports, the widespread participation of professional athletes has helped many young people in society who were having trouble finding jobs. E-sports player training takes the same amount of time and effort as football player training. For instance, only highly qualified e-campaign players, outstanding team setup, and significant game knowledge may create excellent outcomes if a team wants to stand out in the world hottest e-sports game. In addition to professional athletes, e-sports teams also include writers, hosts and logistical staff who can assist the society in finding solutions to employment problems. According to Newzoo's analysis, the global e-sports economy was expected to increase by 41% in 2017, reaching approximately \$696 million [1]. Tickets, merchandising, sponsorships, and advertising accounted for the majority of this income.

As a result, as the e-sports market grows, more people will enter the sector in search of employment prospects. This chance will help them not just with their career issues, but also with pursuing their aspirations in e-sports. E-sports games can also improve players' interpersonal abilities, including teamwork, leadership, and execution [1]. E-sports, in general, demand excellent team cohesion and leadership. The captain must have great leadership skills to make decisions during each game phase while maintaining good observation to recognize the overall trend. As a result, with the accumulation of extensive experience, the captain will steadily develop his or her leadership skills

and the team members' sense of camaraderie [1]. This competitive game is similar to a team working on a project for a company; the team leader will delegate tasks and responsibilities to each team member, and the team will then cooperate to finish the assignment and achieve the objective.

The third benefit is that e-sports can improve players' mental health. Despite the drawbacks of video game play, such as the frustration of frequent defeats, research by Dr. Brock that was published in the *Journal of Consumer Culture* demonstrated that players still found motivation and satisfaction in the game [2]. In-depth rewards can be obtained in overcoming obstacles and challenging puzzles in video games, which may help players deal with psychological problems like anxiety or O.C.D. Meanwhile, a fast-paced first-person shooter game like Counter-Strike can assist some kids with depression or mental illness to be positive [2].

5 E-SPORTS AS A LEARNING TOOL

In addition to being a sport, e-sports can be used as a learning tool where people can acquire new language, methods and decision-making skills. As a result, playing e-sport games can help young people develop their intelligence and foster communication among young people.

6 SOCIAL RECOGNITION OF E-SPORTS

E-sports, in contrast, is distinct from traditional sports in all respects. However, due to initiatives over the past five years, e-sports has gained widespread acceptance and support from numerous governments. For instance, in the United States, e-sports professionals are eligible for the P-1 visa, and the N.C.A.A. (National Collegiate Athletic Association) also recognizes e-sports as a sport in development. Even the announcement that e-sports will be included as a competing event at the Asian Games in China in 2022 is a historic development that will provide e-sports with previously unheard-of backing [3]. E-sports will have immeasurable cultural worth and can benefit greatly from public and governmental support as a new cultural business.

Additionally, whether racial or misogynistic, there has always been a divide in the treatment of women in competitive sports. However, the prestige and value of female in competitive sports might be elevated through e-sports, which will increase gender diversity in the industry. The winner team of the 2015 North American League of Legends tournament was attributed in large part to Maria Creveling, the first female professional player in the League of Heroes esports. Due to her achievement, many people now see the potential for women to compete on the same level as men, eliminating the gender pay gap [2].

Thirdly, e-sports also expands the diversity of sports culture through the use of technology, which is also their biggest distinction from traditional sports. How can sports culture become diverse? The first step is identifying the parallels and contrasts between e-sports and conventional sports. It's important to research e-sports' evolution under how traditional sports cultures develop. Although they will never be regarded as the

same thing, there are so many similarities in discipline building, teamwork, and positive mentality reinforcement. This is due to the advances that competitive gaming has made over the past ten years, and such a great impact that the sports industry has been forced to take notice [3]. In terms of difference, e-sports require less intensive physical preparation. It is a rapidly expanding online gaming scene that has started to draw sizable viewers. Gaming league expansion is becoming simpler because technology has made it available through social media and other channels like live streaming. But compared with traditional sports, many parents feel that teens waste too much time and energy on e-sports. Actually, as the e-sports industry has grown, it has begun to take the form of a business model with a distinct culture that is more like the traditional sports model. Both player education and the management of the club brand, are done systematically. E-sports should, therefore, to create a diverse trend in sports culture, incorporate not only the development trend of traditional sports but also have its own autonomous development space.

Similarly, e-sports is seen as a potential source of income in the future. E-sports generated revenue of \$465 million in 2018, which was higher than \$130 million in 2012[11]. These projections are based on facts that are produced by specialists in the field of e-sports data. In addition, it is anticipated that there will be 385 million viewers worldwide in 2022, with 191 million individuals serving as regular viewers and 194 million individuals serving as occasional viewers[11]. E-sport stars, such as Faker from South Korea, who just turned 21 years old not long ago, can make up to \$2 million in gross salary per year.

However, e-sports also has some negative influences to society. There is a correlation between violent video games and most of the crimes committed by violent juveniles in the United States. This includes an alarmingly high rise in the number of shootings that take place in high schools [3]. One of the pupils who acknowledged being engaged in the 1999 shooting rampage that took place at a certain high school and resulted in the deaths of many people stated that they were inspired by a particularly violent video game [4]. But the vast majority of people who play violent video games like Call of Duty or Mortal Combat do not necessarily develop a violent personality as a result of their gaming habits. Another issue is violence rating in video games. According to the Pan-European Game Information (P.E.G.I.) system, video games in Europe have age-related violence rating. The ratings vary from three years old to eighteen. The most significant obstacle is how difficult it is to categorize violent acts. On the website of the P.E.G.I. rating organization, it is stated that an 18 degree may contain “gross violence”[10].

7 Conclusion

In terms of the development of e-sports in the future, several issues should be taken into consideration. Firstly, it is more vital to think about the reasons why individuals participate in e-sports than the actual content of the games itself [5]. The vast majority of people harbor the aspiration to defeat the inherent challenges of the game and become victors. When people’s inner driving force is far bigger than the substance of the game,

it sparks positive development.

On the other hand, how to attract e-sports' popularity? Some famous football clubs who invest in e-sports is a common way to improve e-sports popularity. New players who have become stars in the video game are being signed by professional football clubs like Manchester United [6]. In addition, many ambitious clubs, such as Real Madrid, have signed several players competing in e-sports, such as League of Legends. Other clubs have followed suit. The primary objective is to secure the support of the majority of the audience. This is also a strategy to attract new fans who started playing the FIFA video game on their computers [1].

Also, the noise that e-sports produces should be addressed. Spode stadium in the southwest of Poland is hosting the world largest esports Olympics in 2022. Every year in February, the gathering takes place. The event attracts the attendance of thousands of young people, and the majority of whom are male. The hallways are packed with vendors displaying their most recent wares, and attendees get the opportunity to test out brand-new video games on rotating chairs that contain digital displays. However, the arena is overrun with ear-splitting noises of gunfire whenever a new kill is registered on the screen. This is the most severe example of noise pollution that can be found in today's culture.

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