



UNLOCKING ESPORTS OPPORTUNITIES IN CHINA

**ONE ESPORTS INSIGHTS SERIES
SEPTEMBER 2021**





When you think about esports in China, what comes to mind first?

Is it the prestigious tournaments that have been hosted there, like Dota 2's The International, League of Legends' World Championship, or Honor of Kings' World Champion Cup*?

Is it legendary Chinese teams, like Vici Gaming, LGD Gaming, Invictus Gaming, Royal Never Give Up, or AG Super Play?

Is it the unforgettable historic moments, like when OG became the first team to repeat as Dota 2 world champions at The International 9 in Shanghai?

Whatever your answer, it's clear that esports is booming in China. Our latest research indicates that over 550 million internet users in tiers 1-4 cities in China are involved in esports or gaming.

ONE Esports is a media company that has built a complete content stack for brands to connect and engage with the esports community in creative and authentic ways. Our mission is to share and celebrate the stories of esports heroes who ignite the world with hope, strength, dreams and inspiration.

We leverage data and insights to uncover emerging trends, develop unforgettable content and experiences, and craft meaningful partnerships with brands that share the same mission.

We know that many brands are attracted by China's huge market size but require a deeper level of understanding to navigate this complex market. In this report, we will share key insights including:

- Behavioral analysis by gender and city tier
- Lifestyle beyond esports and gaming
- Device usage and its impact on gaming title popularity

We have also included our insights on major PC esports titles, such as League of Legends, Dota 2, and Call of Duty that continue to enjoy massive popularity in China as well as the rest of the world and our considerations around why this community is so lucrative from a commercial perspective.

We hope you will find this report helpful in building your way into the world's largest esports market. Stay tuned for more insights on the booming esports and gaming community!

#WeAreONE

**Note: Honor of Kings is known as Arena of Valor outside China*

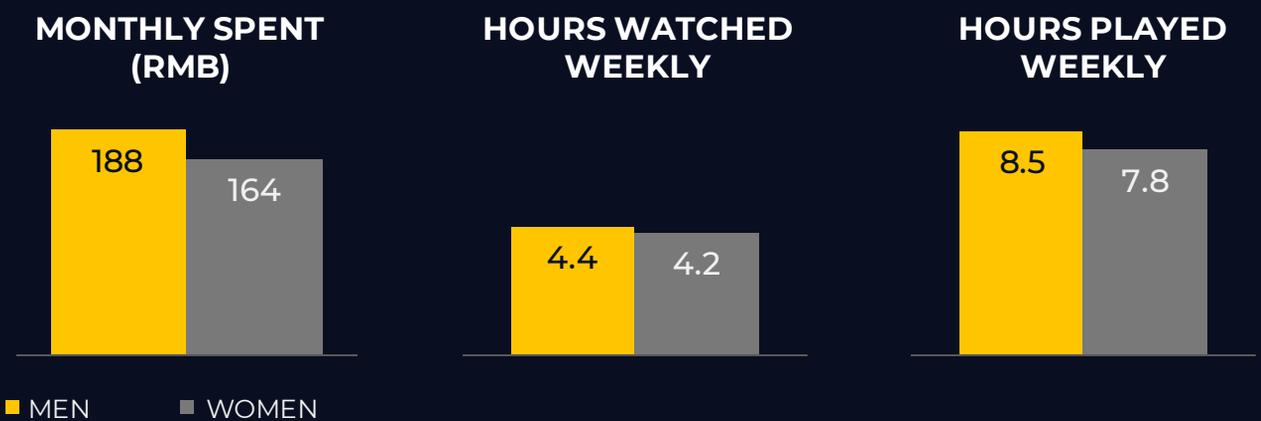
THE CHINESE ESPORTS COMMUNITY IS HIGHLY SOPHISTICATED

China is undoubtedly one of the largest esports and gaming markets in the world with a 90% penetration rate*. **Across tiers 1-4 cities, over 550 million internet users are involved in esports and gaming.**

For any brand wanting to build a deep and long-lasting bond with these customers and future-proof its business, it is important to appreciate the similarities and differences by gender and city tier, as well as uncover their lifestyles.

Esports is not a male-dominated hobby – the Chinese fanbase is quite gender-balanced with 45% female and 55% male. Female fans are as engaged as male fans when it comes to enjoying esports and gaming. Specifically, the amount of money and time spent is almost on par across genders.

ESPORTS/GAMING ENGAGEMENT BY GENDER



Source: China esports/gaming landscape research, a proprietary study conducted by ONE Esports Analytics & Insights team in Q1 2021. Sample size (esports/gaming fans): Men n=360, women n=340

A closer look at what men and women like to buy and watch reveals some interesting findings:

- **Spending:** In-app purchases are universally popular, with 1 in 3 fans making a purchase recently. Men tend to spend on games or game-related products, while women invest in a variety of merchandise, often connected to their favorite games or esports teams and influencers.
- **Content:** Live gaming streams are the most-watched content type for both genders. While men also watch a lot of esports content, such as live esports tournaments and highlights, women tend to spend time on casual content, such as funny gaming videos and memes.

Apart from gender, city tier is another variable worth considering. As esports grows in China, understanding consumption patterns across city tiers becomes crucial.

Our research suggests emerging tiers are catching up with higher tiers* in esports and gaming content consumption.** China's mature digital infrastructure accelerates the easy access of information nationwide. One manifestation is how consumers obtain editorial news. Across the board, consumers rely on streaming sites as their main source, with 67% in higher tiers and 56% in emerging tiers. Moreover, savvy gamers and esports viewers in higher tiers proactively visit esports specialized websites or forums, while those in emerging tiers use what's convenient, such as social media feeds and search engines.

Leveraging these gender and city tier insights will help craft resonating product experiences and marketing campaigns.

*Note: Penetration is among internet users aged 18-49 years old living in tiers 1-4 cities.

**Note: This report defines tiers 1-2 cities as higher tiers, tiers 3-4 cities as emerging tiers.

ESPORTS/GAMING FANS ARE MORE AFFLUENT THAN NON-FANS, AND LEAD A VIBRANT LIFESTYLE

Our study also uncovered the affluent lifestyle of many Chinese esports fans. Gaming and esports is an important part of their life, but not all of it.

Chinese esports fans make more money than non-fans, and their purchase history and purchase intent over-index in many daily categories, both low and high valued items, further proving the lucrative commercial opportunities this community represents.

ESPORTS/GAMING FANS ARE...

AFFLUENT



RMB17K (RMB13K)
MONTHLY HOUSEHOLD INCOME

BIG SPENDERS



RMB7K (RMB5K)
SPENT ON COMPUTER



RMB194K (RMB157K)
SPENT ON AUTOMOTIVE

ACTIVE & SOCIAL



1.7x
EXERCISE EVERY WEEK



1.4x
DINE OUT EVERY MONTH



3.5x
ENJOY MOVIES/CONCERTS EVERY MONTH



6.3x
CONSUME ENERGY DRINKS EVERY WEEK

LIKELY TO PURCHASE



2.3x
COMPUTER



2.1x
AUTOMOTIVE



1.8x
SPORTSWEAR

■ ESPORTS/GAMING FANS ■ NON-FANS

Note: Index score indicates how likely esports/gaming fans are to engage with the specific categories or activities compared to non-fans.

Source: China esports/gaming landscape research. Sample size: Esports/gaming fans n=700, non-fans=300

Brands recognize the massive opportunities within esports. More than 100 brands sponsored qualifying teams at the 2020 League of Legends World Championship in Shanghai. The tournament itself attracted 12 official partners, far surpassing the five partners the tournament had in 2017 when China first hosted the tournament. Sponsorship fees for top tier sponsors in 2020 also exceeded 10 million RMB*.

Esports sponsors came from a variety of categories ranging from PC and peripheral brands, and streaming platforms, to FMCG, sportswear, automobile, financial services, and more.

*Source: 玩家电竞, 懒熊体育, 澎湃新闻, 腾讯新闻, team official Weiboaccounts

ADMIST THE THRIVE OF MOBILE, PC USAGE AND GAME TITLES PRESENT UNIQUE APPEAL

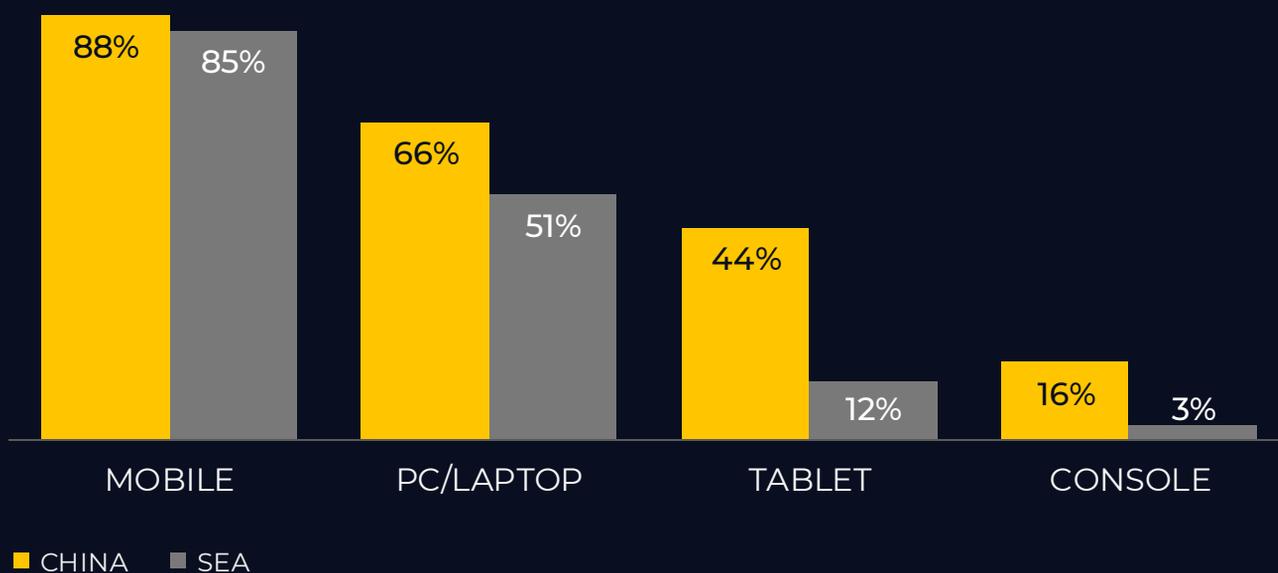
The high spend and purchase intent on computers among esports fans caught our attention, especially considering the mobile evolution has completely overtaken the digital landscape in China.

Unsurprisingly, across cities tiers, mobile phones are the #1 device for playing games and watching esports. However, **PCs and laptops still stand strong as the runner-up in device usage, with 1 in 3 using them for esports and gaming activities.**

Chinese fans also use tablets and consoles as devices for watching esports.

For perspective, when we compare device usage in China against Southeast Asia, Chinese fans use a more diverse variety of devices, while Southeast Asian viewers tend to stick to mobile phones and PCs or laptops. The same trend is observed on devices used to play games as well.

DEVICE USED TO WATCH ESPORTS/GAMING



Source: China esports/gaming landscape research and SEA archetypes research. Sample size (viewers of esports/gaming content): China n=650, SEA (ID, PH, VN, TH, MY, SG) n=5,199

This insight is useful for brands who want to navigate consumer preferences and deliver bespoke content and experiences in the home market and Southeast Asia. We are happy to share more cross-border insights like this to support your growth journey in China and beyond.

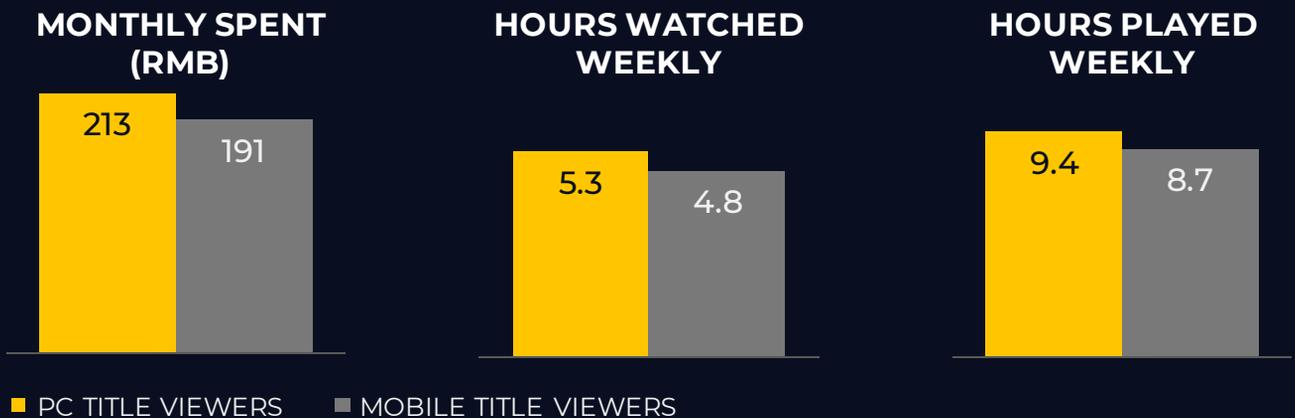
Device usage is also heavily correlated with the popularity of different esports titles. **While mobile title Honor of Kings (known as Arena of Valor outside China) dominates the chart, PC titles are also well-loved**, including League of Legends, Dota 2, Call of Duty, and Crossfire, with content on these titles watched by millions of fans every day.

Additionally, we have discovered that PC fans tend to be more engaged than their mobile counterparts. We will shed more light on this in the next section.

PC GAMING VIEWERS ARE EXTREMELY ENGAGED

PC gaming is still very popular in China. In fact, **3 of the top 5 most-watched esports games are PC titles**. Additionally, **PC title viewers show remarkably higher engagement with esports/gaming, compared to mobile title viewers** – they spend more, watch more and play more. Coupled with valuable learnings around their income, spending behavior and daily category involvement, we are here to support your efforts to unlock this engaged community and gain commercial wins.

ESPORTS/GAMING ENGAGEMENT BY PC TITLE VS. MOBILE TITLE VIEWERS



Source: China esports/gaming landscape research. Sample size (viewers of top 10 titles): PC (League of Legends, Crossfire, PUBG, CS:GO, Call of Duty, Dota 2) n=489, Mobile (Honor of Kings, Peacekeeper Elite, Call of Duty Mobile, Clash of Clans) n=501

A good example of the deep engagement of PC title viewers are the two large scale Dota 2 events ONE Esports hosted in the past two years. Both saw incredible traction in the region – Chinese fans especially, delivered massive viewership and engagement, thanks to our local streaming partner, Huya.

- Dota 2 World Pro Invitational (Dec 2019): 60M views from China.
- Dota 2 Major (Mar-Apr 2021): 203M views from China, over 1.1M peak concurrent viewers. The third most-watched Dota 2 Major in history.

The success of these events demonstrates the appetite of Chinese fans for high quality esports events. These world-class tournaments are the perfect stage for brands to interact with the esports community in creative and authentic ways, engaging them when they are at their most passionate. Our past events delivered great experiences for partners, as brands were seamlessly incorporated in the viewing experience. As a result, viewers developed a better impression and higher purchase intent for the brands featured in the tournament.

PARTNERSHIP IMPACT DURING ONE ESPORTS DOTA 2 SG MAJOR



HAVE MORE FAVORABLE VIEW
of a brand featured in ONE Esports events



ARE MORE LIKELY TO PURCHASE
a brand featured in ONE Esports events



ARE MORE LIKELY TO RECOMMEND
a brand featured in ONE Esports events

Source: Dota 2 SG Major NPS Poll, conducted by ONE Esports in Q1 2021. Sample size: Dota 2 Major viewers n=2,203

METHODOLOGY

The majority of the insights in this report are the results of a large-scale quantitative research we conducted in China across tiers 1-4 cities in Q1 2021. We surveyed over 1,000 internet users aged 18 to 49 years old, to understand their preferences, motivations and behaviours in relation to esports/gaming. We partnered with a local research panel to recruit a nationally representative sample base.

CONTACTS

CARLOS ALIMURUNG | CEO, ONE Esports
c.alimurung@oneesports.gg

HARI VIJAYARAJAN | CCO, Group ONE Holdings
h.vijayarajan@onefc.com

SANCHIT GARG | SVP, Sales and Media Partnerships, Group ONE Holdings
s.garg@onefc.com

ZOE ZHENG | Director, Corporate Partnerships (China), Group ONE Holdings
z.zheng@onefc.com

AUTHORS

JANE GUO | Senior Director, Analytics & Insights
j.guo@onefc.com

VALENTINA MOSCA | Senior Manager, Analytics & Insights
v.mosca@onefc.com

MIHOKO TAKEUCHI | Assistant Manager, Analytics & Insights
m.takeuchi@onefc.com

HELEN FU | Assistant Manager, Analytics & Insights
h.fu@onefc.com