



THE STUDY OF PROFESSIONAL ESPORTS PLAYERS INCUBATION IN THAILAND

**EE489 Seminar in
Industrial Economics**

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Agenda

- INTRODUCTION
- LITERATURE REVIEW
- METHODOLOGY
- FINDING AND ANALYSIS
- CONCLUSION AND SUGGESTION



INDUSTRY BACKGROUND



Gaming Industry and Gamers



Esports



Esports

Electronic sports (or Esports) is a video game competition which is organized and multiplayer.



The competition provides live broadcasts and cash prize for top competitors.



Most common genre for esports are real-time strategy, first-person shooter and multiplayer online battle arena

INDUSTRY BACKGROUND

Global Esports



Global esports **revenue** is expected to hit almost **\$1.1bn by the end of 2021**. 800m come from media rights and sponsorship (SportsPro,2021)



Gaming total **audience** is expected to grow to **474m**(8.7%growth) this year (SportsPro,2021)



Mobile gaming is likely to be the future of esports with less barriers to entry, more gamers and more fans. The value is at **\$74b** Globally (Business Insider, 2020)



The **cancellation of in-person event** leading to the diminished ticker revenue and merchandise sales (Business Insider, 2020)

INDUSTRY BACKGROUND

Thai Esports



- Thailand's **32 million gamers** helped the Thai games market generate over **a billion dollars** in 2020, making it one of the **highest**-profile games markets in **Southeast Asia**. (Newzoo, 2021)
- With a lot of gamers, prospective esports audience are projected to be high. Thus, The **market** is expected to grow to be more than **\$450M in 2021** (Statista, 2020)

INDUSTRY BACKGROUND

Thai Esports

- Back In 2017, Esports has officially registered as an official sports, Thai team can participate for international championship like 2018 ASEAN game and 2019 SEA game (Bangkokesports, 2019)
- One of the most popular games in Asia is **ROV**(Realm of Valor) ranked as the 11th highest prize in the World, Offering up to \$11M prize and have more than 495 pro players. (Bangkokesports, 2019)
- Thailand have more than **500 professional esports players**. In the top 100, their total tournament earnings range from **\$500K to \$21k** (Esportsearnings, 2021)



SEA game 2019: Gold Medal from ROV, Silver Medal from Hearthstone

Challenge for Thai Esports Industry

Country	Total earnings of all Esports player	Number of All Esports Players
United States	\$166M	19K Players
China	\$128M	5K Players
South Korea	\$100M	4K Players
Thailand	\$9M	1K Players

Source: [esportsearnings](#)

Total earnings can be used as **the success indicator** of esports players (more players, more competition, higher level of competitiveness and more money circulated in the industry)

OBJECTIVES AND METHODOLOGY



Objectives

- Exploring and analyzing factors affecting the incubation of Thai esports players



Research Question

- What factor lead esports players toward success?



Methodology

- Literature review
- Successful Case Study
- **In-depth interview**

DEFINITION

Incubation The process of incubating one professional esports players to be able to compete in a domestic and/or international competition

Esports career success An esports players who able be win in domestic and/or international tournament and can make a living from playing games

Career Path Path of career advancement from the bottom to the top level in the organization. The career path will lead both short-term and long-term career objectives.

Professional Esports Player A professional esports players is a full-timer/part-time who get paid from playing video game in a competitive level like domestic competition and international esports tournaments. There are international rules and prize in the esports tournaments. These players get paid to compete by their teams or affiliates or sponsors.

Video Game Streamer People who play games and broadcast live video to their audience digitally. The players and the audience are simultaneously interacting through players' platform. These players get income from donations as well as advising and sponsorship.

THEORETICAL FRAMEWORK

SWOT AND PESTEL

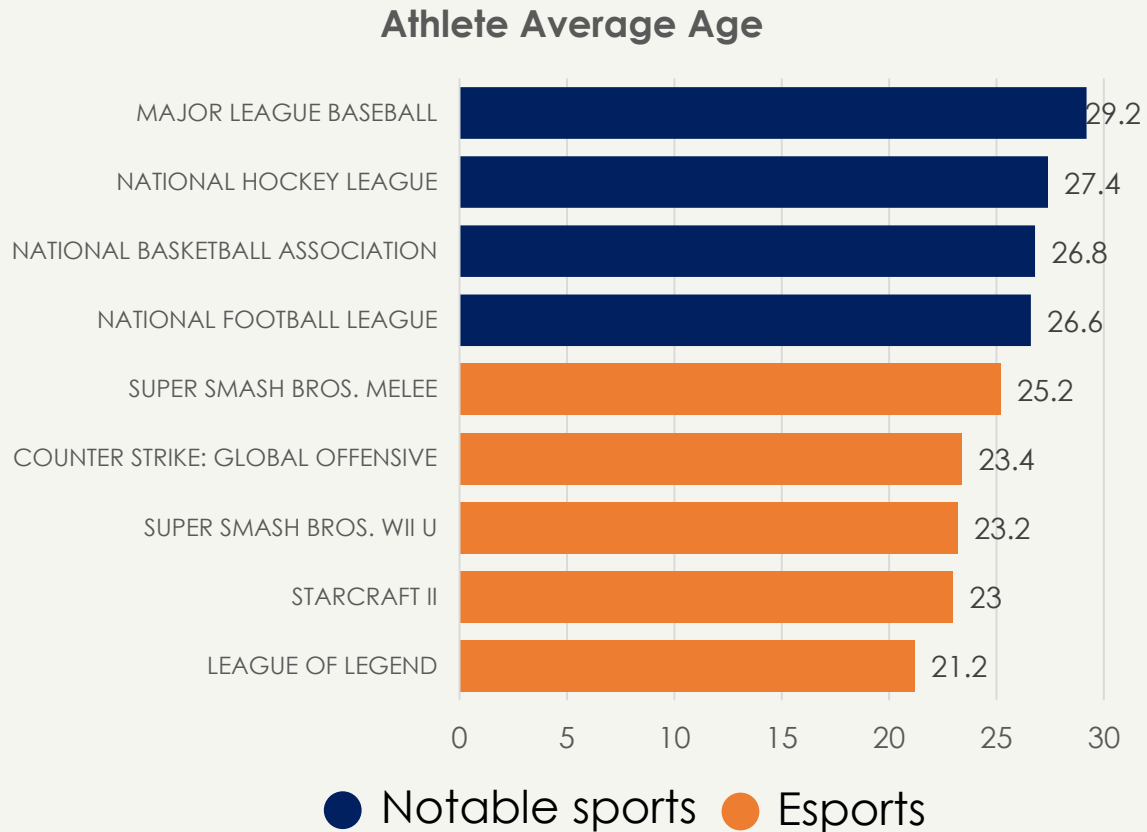
	Helpful to achieve the objective	Harmful To achieve the objective
Internal Origin (Attributes of the organization)	Strengths	Weaknesses
External Origin (Attributes of the environment)	Opportunities	Threats

Political	Government Policy, Political Stability, Corruption, Global Influence, Foreign Trade Policy, Tax policy, Labor law, Trade restrictions
Economic	Economic growth, Exchange rates, Interest rates, Inflation rates, Disposable Income, Unemployment rate
Social/ Cultural	Population growth rate, Age distribution, Career attitudes, Safety emphasis, Health consciousness, Lifestyle attitudes, cultural barrier
Technology	Technology incentives, Level of innovation, Automation, R&D activities, Technological change, Technological awareness
Environment	Regulation and Restriction, Weather climate, Environmental policies, Pressure from NGO's
Legal	Discrimination Laws, Antitrust Laws. Employment Laws, Consumer protection laws, Copyrights and patent laws, Health and Safety laws

LITERATURE REVIEW

LITERATURE REVIEW

Average age in esports vs. major sports (2017) by ESPN



Hai Lam, Pro US LOL players from Cloud9, retired at the age of 22 due to wrist injury and other health issues

Why are so many esports athletes ending their career in the age that they can gain popularity comparing to other sports?

L I T E R A T U R E R E V I E W

Brain test judges how old you are based on your reaction time (2014)

- Researchers at Simon Fraser University in Canada analyzed 3,305 people aged 16-44 by testing their performance on a real-time strategy video game (StarCraft II)
- **Cognitive ability rise from 16 to 24 and decline begin at the age of 24. For every 15 years after the age of 24, cognitive speed dropped by around 15 per cent.**
- The main reason is due to **the relationship between speed and accuracy**. Older players tend to be slow at decision making and focus more on precise movement as well as planning.

- Comparing to The International Dota 2 2018 Tournament, Majority of the qualified athlete age between 21-23.
- Older players tend to play as Captain and stay in the 5th position (support role and control the situation)



L I T E R A T U R E R E V I E W

'It's like the Gold Rush': The Lives and Careers of Professional Video Game Streamers on Twitch.tv (2017) **By Mark Johnson and Jamie Woodcock**

- Gaming industry grow accordingly with steaming platform which has show further growth potential as there are more incoming supply i.e., content creator and demand i.e., viewers

The Study of career path of video game streamer (2019) **By Chayapat Wongsiriporn**

- Streamer success depends on styles, gameplay technique and affiliate
- Sponsorship and affiliate are the crucial factors toward streamer content and success

Legal Problems on E-sport Player Contracts (2020) **By Wachcharapong Kheanpan and Nartnirun Junngam**

Thailand does not have any specific laws or regulations regarding of the governing and protecting the rights of esports athletes in the contract agreement.

These can possibly lead to

1. Athlete are not getting the basic rights protections and welfare
2. The only way to change the contract must go through a lot of judicial process which can be vary and discrete in each case

L I T E R A T U R E R E V I E W

TALENT IDENTIFICATION AND DEVELOPMENT IN GAME SPORTS (2019)

By JOB FRANSEN AND ARNE GÜLLICH

Factor that can help identify talented athlete

- a) Involve in the domain at early age
- b) Demonstrated higher level of performance in early competitions
- c) Performed at higher level than peers on basic motor ability test
- d) Demonstrated higher rates of improvement in performance at a young age

Career Transitions of eSports Athletes: A Proposal for a Research Framework (2017)

By Mark Salo

There are 4 stages of esports athlete career

1. **Initiation** : individuals are introduced to sports
2. **Development** : individuals increase their amount of practice and develop more dedication towards a specific sports
3. **Mastery** : athletes have reached their best competence and skills
4. **Discontinuation** : the transition from competitive sports into career end and retirement.

Players need to recognize which stage they are in and focusing on mastering that stage.

M E T H O D O L O G Y

M E T H O D O L O G Y

Qualitative Research with 10 sample who is a Thai professional esports player

There are 2 types of methodology in this research

1. Literature review
2. In-depth interview



Research Tools: **In-depth interview** with open ended questions to get insights of factors affecting esports player incubation

1. Demographics Questions
2. Their opinion toward Esports and factor affecting esports players incubation

Research Scope

- 10 Thai professional esports players
- Have competed in the international competitions
- Have Affiliate

Source : [esportsearnings](#)

FINDING AND ANALYSIS

DEMOGRAPHICS

Interviewees	Country Ranking	Status	Tournaments	Prize earned from tournaments	Experience	Affiliate	Highest Paying Games
P1	Top 100 Highest earning esports players in Thailand	Retired	15	\$55K	6 years	Axxxxxxx	Overwatch
P2		Active	42	\$22K	6 years	Bxxxxx	CS: GO
P3		Active	37	\$22K	6 years	Bxxxxx	CS: GO
P4		Active	10	\$4K	2 years	Bxx	Hearthstone
P5	Top 100 Highest earning esports players in Thailand	Active	10	\$61K	1 year	Bxx	Hearthstone
P6		Retired	10	\$55K	4 years	Axxxxxxx	ROV
P7		Active	9	\$55K	4 years	Bxx	ROV
P8		Active	10	\$155K	6 years	Mxxx	FIFA
P9		Active	7	\$55K	2 years	Txxxx	ROV
P10		Retired	16	\$23K	3 years	Mx xxxxxxxx	PUBG

Source : esportsearnings, research, Interview Results

FINDING ANALYSIS

SWOT

	Helpful	Harmful
Internal Origin	Strengths • The sectors is emerging in recent years • Mobile esports are the key trends • ROV makes Thai esports gain popularity significantly • Thai players have potential to go to the international competition • They all agree that affiliate highly contributes to the players success by supporting and managing them • Thailand have many leading affiliates with great benefit, facilities and fair pay • Easy to reach to Affiliate owners about problems and discussion	Weaknesses • Not much esports investors. Some investor only aim for money rather than developing and improving the esports • Lack of government and private support, leading to opportunities loss (Laws, Money, Competitiveness) • Popular Thai mobile games are not well-known in the global level like ROV and Free Fire • Lack of global game promoting channel in both ways (Thai game popularity and global game awareness among Thais) • Weak esports community as well as not 100% social acceptance • Thai corruption connection culture can lead to opportunities loss

Source : in-depth interview

FINDING ANALYSIS

SWOT

	Helpful	Harmful
External Origin	Opportunities - Esports have future potential to be like football - Plenty of room for Thai esports industry growth and promote - Esports is growing fast in the entertainment industry. Most Athletes do livestreaming for fans, money and relaxation. - Need more government support to be funded and treated as official sports - With sufficient support, Thai athlete can definitely go Worldwide	Threats - Other leading esports countries don't invest in Thailand because Thai industry are behind them Countries with growing industry and higher competition can affect Thailand in the international tournaments Covid-19 has change offline tournaments to be online. There's internet barrier for players and players lost some opportunities in making money - Covid-19 affects esports sponsorship which dwindle the esports tournaments - Covid-19 affect the face-to-face practice for athlete

Source : in-depth interview

FINDING ANALYSIS

PESTEL

Political	• The government doesn't really support the industry comparing to other countries • The government need to focus on the fundamental of esports which is promoting and raising awareness • They want more government-supported tournaments, prize pool and esports community • Government can push esports to have provincial or university level tournaments • The government must focus on the Esports Athlete Protection Laws • Players' pay and welfare are things that the government need to support especially for the one who is in need • The government only focus on success players, they should support to-be-esports athlete as well
Economic	• Covid-19 has change offline tournaments to be online • Covid-19 affects esports sponsorship which dwindle the esports tournaments and prize
Social	• Esports doesn't receive 100% acceptance • Older generation perspective doesn't really matter if the new generation perceived what gaming and esports really is • If esports have proper government support, more Thai will understand and aware of the industry more • Esports community engagement can help with the outsider's perspective • Social need to get more aware of how much jobs were created by the esports industry • Thai corruption connection culture can lead to opportunities loss

Source : in-depth interview

FINDING ANALYSIS

PESTEL

Technology	- Esports Live streaming become the crucial part in the tournaments especially for audience funding and sponsorship - There will be Starlink from Elon Musk which will help with the online tournament's internet connection - A lot of innovation in improving esports players body and health in many equipment and gadgets
Environment	-
Legal	- Most of them doesn't aware of the laws involving esports players which might oppress them - They all said that the monthly salary and prize split are fair for them because the affiliate sponsored everything. And the money earned depends on player's expertise and popularity - Affiliate only makes general employing contract with players which are not sufficiently covering the athlete Specific contract for esports athlete is needed - Some of them request more of players protection laws, players health, career incubations support, affiliate control and underage athlete protection. - Former Thai who was in the US team wants laws to treat players like other sports players especially the insurance

Source : in-depth interview

FINDING ANALYSIS

Career Path

- Ranked as top players in Games
- Got into the domestic competition
- Teamed up with professional players



Affiliate offer to join

- Internal competition



Join the
National Team



Participate in
the international
Competition

Retirement Career Path

Have Affiliate

- Becoming streamer and go into streamer career path
- Got offer to be team coach

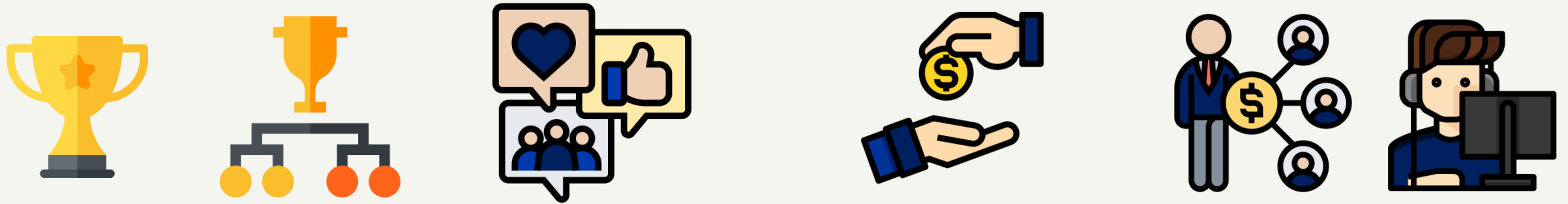
No Affiliate

- Becoming streamer
- Forming own team and participate in competitions

Source : Interviewee's information

FINDING ANALYSIS

Prize Pool Chain



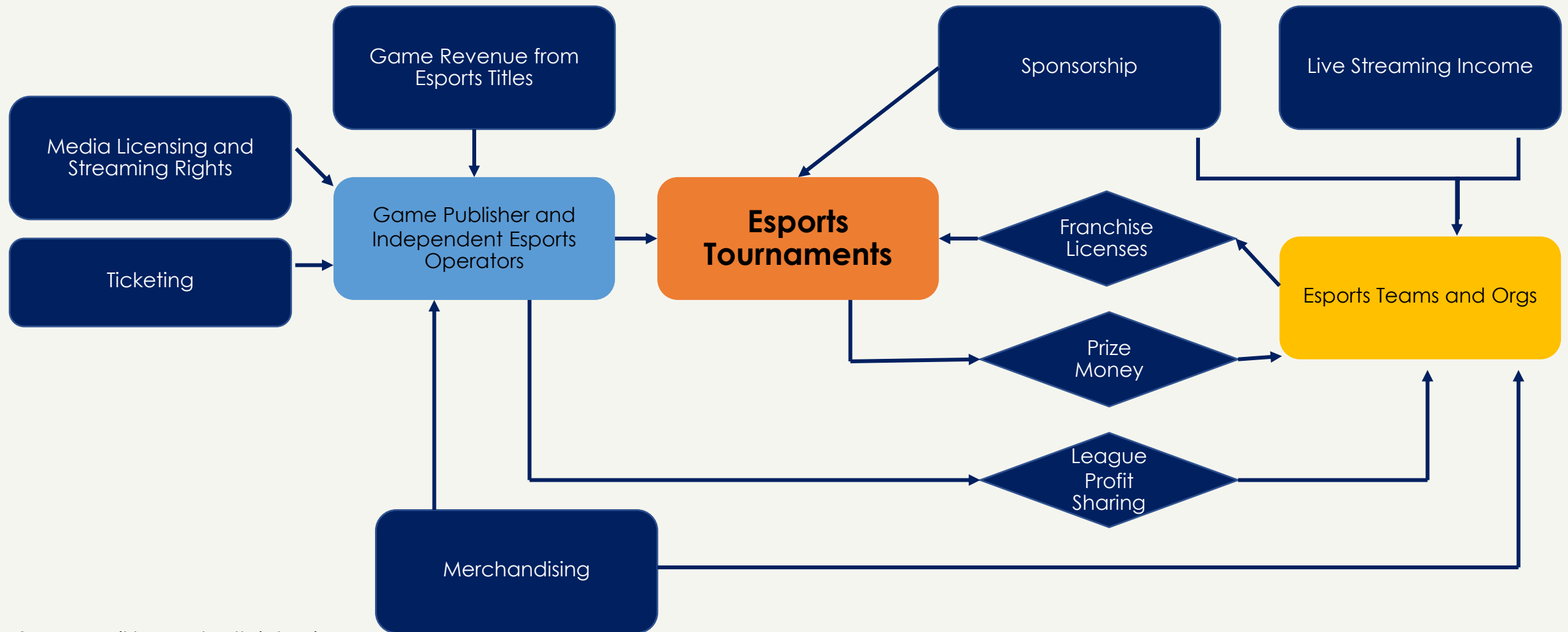
Prize pool > tournaments > engagement > organizers and Sponsors > affiliate > players



Source : in-depth interview

FINDING ANALYSIS

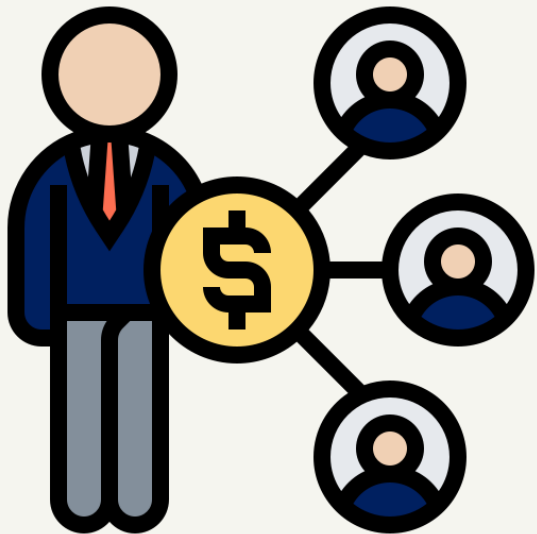
How money moves through the esports landscape



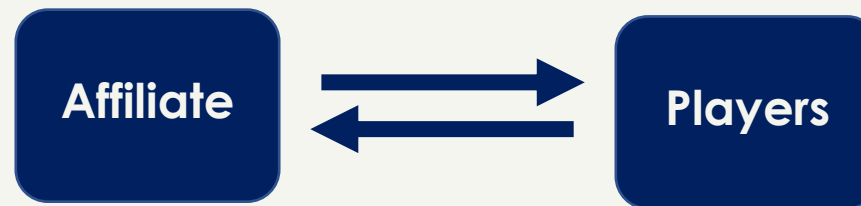
Source : Nikko, In-depth interview

FINDING ANALYSIS

Value exchange between affiliate and Players



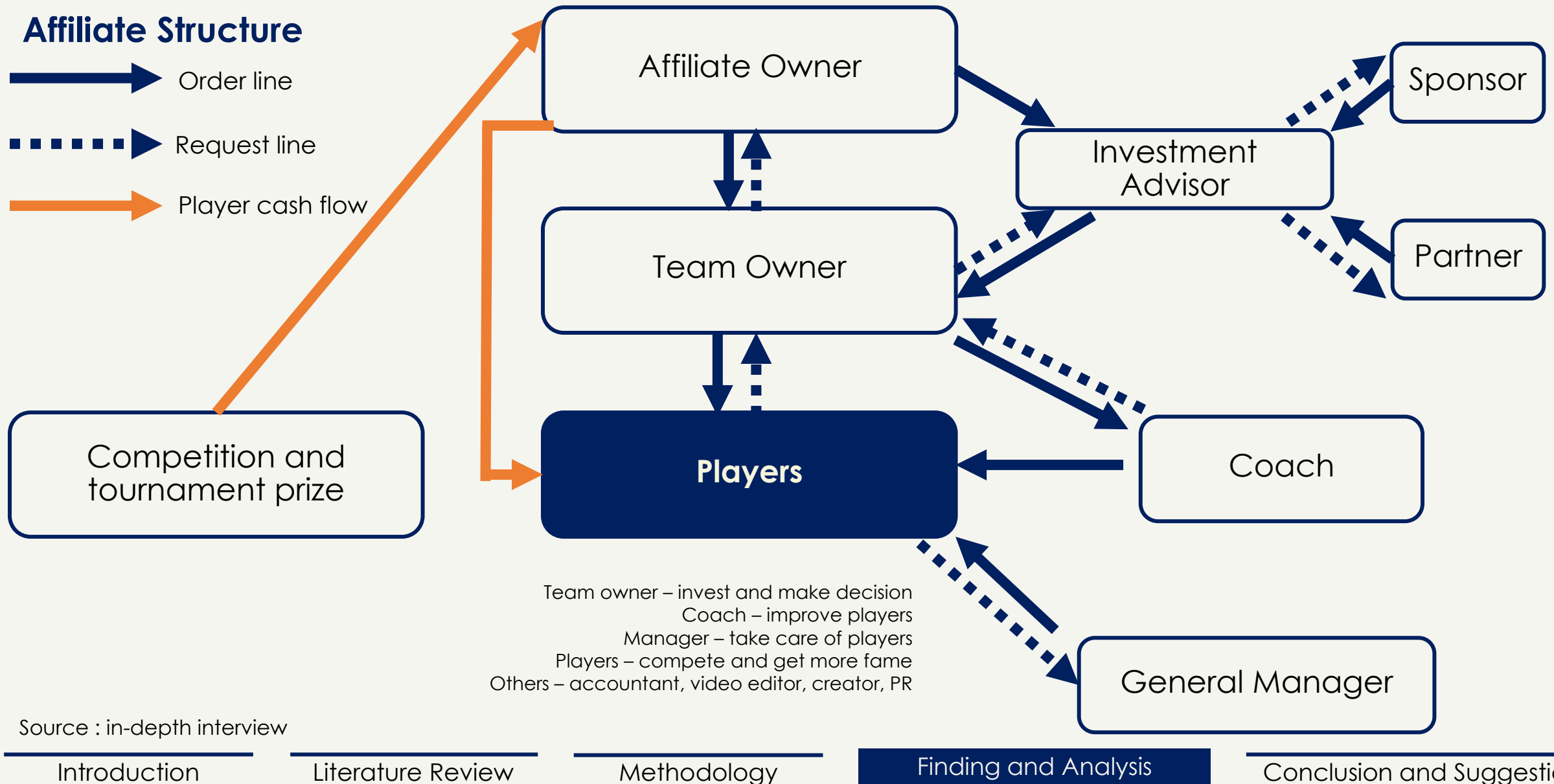
- **Monthly Salary**
- **Bootcamp**, gaming house
- Gaming **equipment's**
- Competition **expense coverage** (Pocket Money, Transportation cost etc.)
- Internal Training and competitions
- **Managers, Coach and/or team**
- Affiliate Reputation
- % of merchandise sold
- **Sponsorship**



- Player's reputation from Winning the tournament, competitions and getting into Thai national Team
- **Tournament prize** (Affiliate get % as agreed)
- **Livestreaming** (depends on the agreements)

Source : in-depth interview

FINDING ANALYSIS



CONCLUSION

