



ESPORTS

RED CARD

2023

**CHINA DIGITAL
PERFORMANCE INDEX**

Published by



MAILMAN
An Endeavor Company

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ABOUT MAILMAN

FOREWORD

Dear readers,

China's esports industry continued to grow in the last 12 months despite the challenges in its way. Over the past year, we have seen the return of live events in the country with millions of fans turning up and tuning in to watch their favorite players and teams compete.

Looking ahead in 2023, we can expect China's esports industry to continue to reach new heights. With advancements in virtual and augmented reality technologies, we will see a more immersive and engaging gaming experience for players and spectators alike. The integration of AI and machine learning will also play a significant role in enhancing the overall gameplay and strategy of esports.

Furthermore, the industry will continue to attract investment and sponsorship from major brands and corporations, leading to increased revenue and growth opportunities - this is an area that we've seen the rest of the world adopt well. We can also expect to see the emergence of new esports games and leagues, as well as the expansion of existing ones to cater to a wider audience.

The China esports industry in 2023 will undoubtedly be a force to be reckoned with, not only in the country but on a global scale. As we witness the continued growth and success of this industry, it is evident that esports is no longer just a pastime but a legitimate sport that demands recognition and respect.

Onwards.

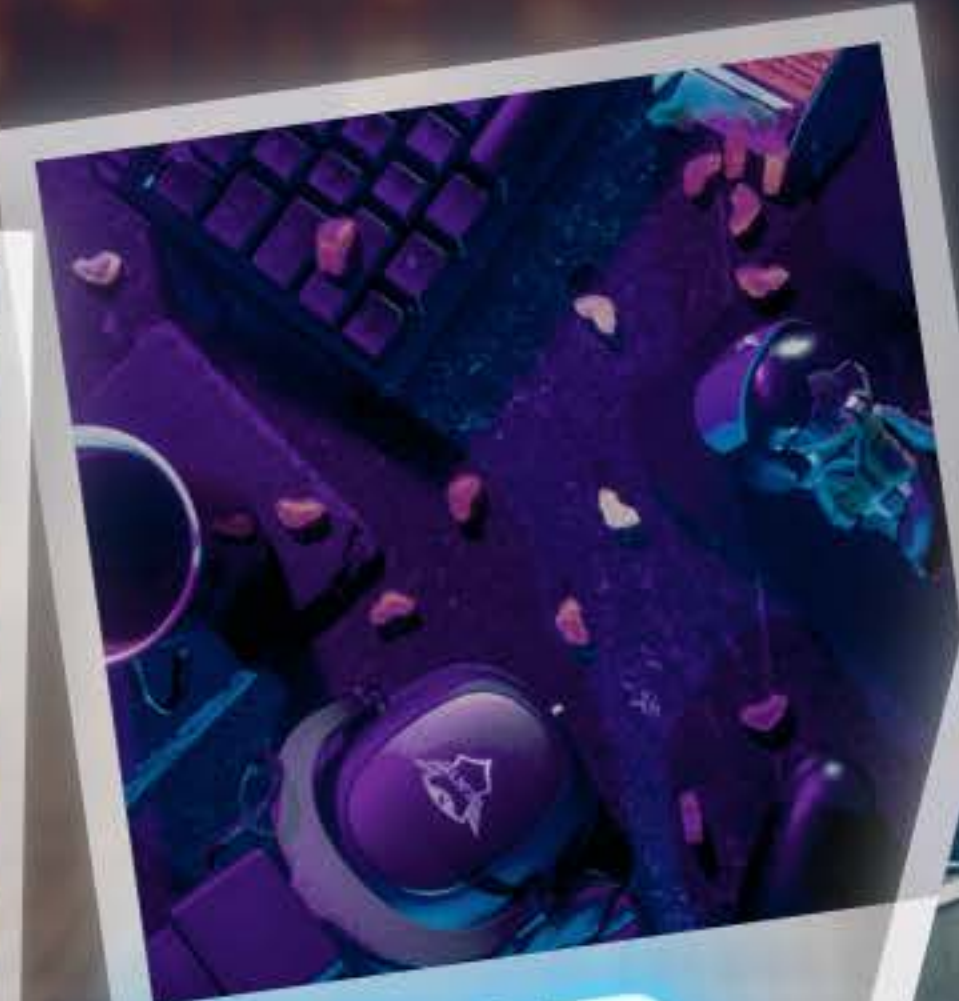
Andrew Collins
Founder and CEO



INDUSTRY SNAPSHOT

#1

Esports industry generated revenues



\$21B

#2

Esports games generated revenues



\$16.7B

#3

Esports users in 2022



488M

#4

First-person shooter (FPS) is the most popular game type



25.7%

#5

Total esports events held in China



108

ESL CS:GO

IEM Rio Major 2022 Grand Final

Image credit to ESL



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TEAM RANKING



Data was collected from January 1st - December 31st 2022, a full methodology is available on request.

MOVERS & SHAKERS

#1 Evil Geniuses



Following on from their rise in 2021, Evil Geniuses continued to climb in the rankings with strong social media performance, especially during the MSI 2022 and the Worlds 2022. Their Weibo followers in total grew by 49% with a 118% increase in engagement.

#2 OG



OG doubled down on China digital in 2022, significantly strengthening their total output to grow their fan engagement. With a record 1.4k+ posts published and launch on Bilibili, they grew their total following by over 360k new fans.

#3 Gen.G



Gen.G built its success by leveraging the star power of its players. Focusing on famous players like Doran across their video content led to record viewership and engagement. Meanwhile working closely with Chinese casters including Guan Zeyuan helped to attract new audiences.

#4 DWG



DWG had a year to forget online in China with their market popularity taking a dramatic drop. The former Worlds Champions should have been building on this success across digital channels but instead slowly deactivated their accounts, including the DWG Douyin.

Riot Games

League of Legends World Championship 2022 Grand Final

Image credit to Riot Games



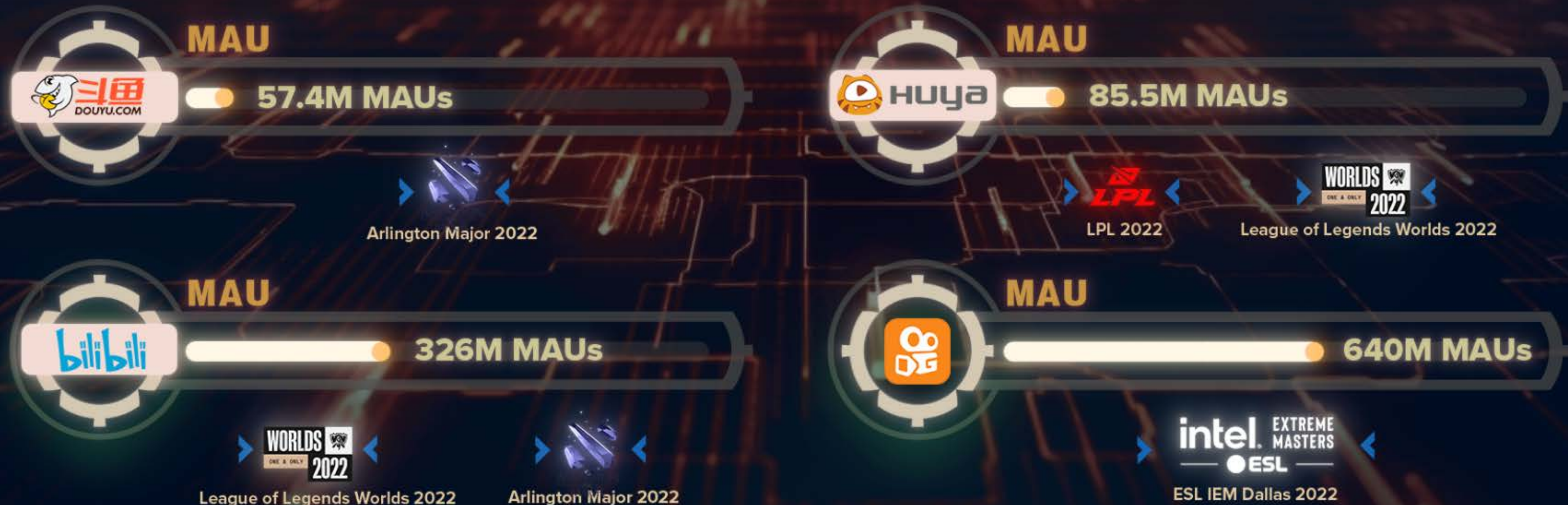
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STREAMING PLATFORMS

Despite utilising different strategies, China's main streaming platforms continued to compete with one another in order to make best use of their content. Huya and Bilibili leveraged iconic tournaments such as the LPL or the Worlds, launching new interactive functions to enhance the viewing experience for fans. Douyu decided to put more emphasis on the creation of live streaming shows with content creators to attract new audiences.

At the start of 2022, Huya exclusively acquired League of Legends LPL's broadcast rights as part of a five-year deal. Bilibili spent big on the League of Legends Worlds rights, leaving Douyu investing into Dota2 media rights across the Majors. What was most surprising was when Kuaishou entered the market by acquiring rights for CS:GO events, their first move into this space having previously worked more closely with traditional sports.

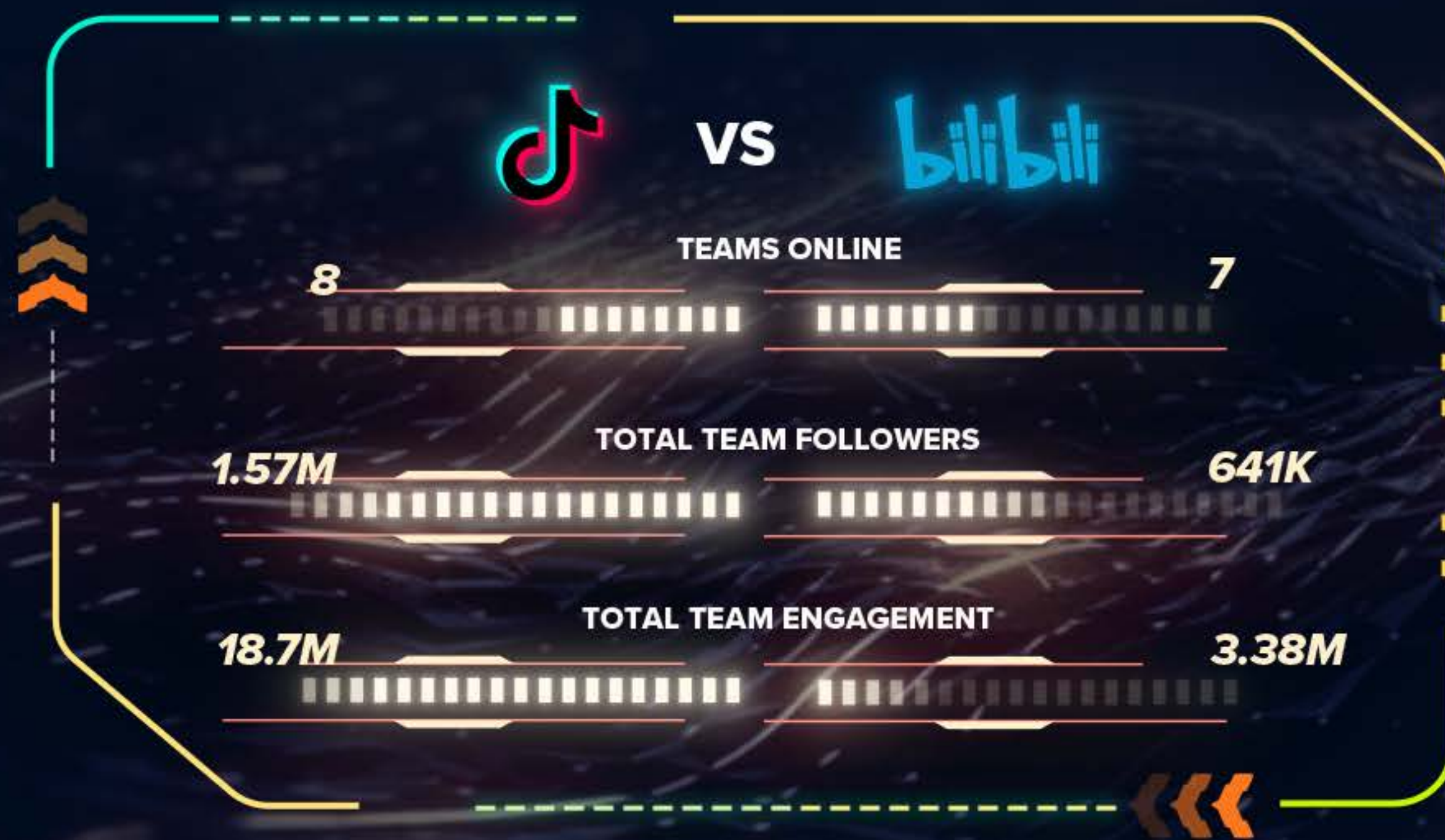


VIDEO PLATFORMS

DOUYIN OR BILIBILI? ▾

Reaching masses or targeting youth? Douyin, as the dominant short-form video platform in China, upgraded its offering to combine commerce and live broadcasts. Boasting a huge 700m+ monthly active users, the platform's viral nature allowed accounts to reach a significantly large audience.

Bilibili, a Twitch-meets-YouTube style platform, has built a young, loyal and passionate following, as the majority of its users are aged 35 and below - the desired age group for esports organisations. Despite reaching this demographic, the potential audience size is much smaller compared to Douyin, with the top esports accounts struggling to reach millions of fans.



Video Winner



G2 Esports launched its video channels back in 2019, publishing 500+ videos across multiple game titles. This, as well as their local tone of voice, has enabled the team to attract followers from various gaming backgrounds.

1.1M
total followers

11.5M
total engagement

Valve DOTA2

Ti11 Grand Final






Image credit to VALVE



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TOURNAMENTS

League of Legends Worlds 2022	Mid Season Invitation 2022	The International 2022	PUBG Mobile Global Championship 2022	Honor Of Kings International Championship 2022	CS:GO RIO Major 2022
					
Winner DRX	Winner RNG	Winner TUNDRA	Winner S2G	Winner ESTAR PRO	Winner OUTSIDERS
					
1.70M Engagement	435K Engagement	135K Engagement	62K Engagement	54K Engagement	16K Engagement
7.6B Impressions	2.8B Impressions	1.6B Impressions	450M Impressions	300M Impressions	71M Impressions

Ranked by Weibo engagement and tournament impressions

BRAND INTEGRATIONS

There were other big changes in the League of Legends sponsorship matrix with the league replacing one of their biggest sponsors Nike with the China brand Li-Ning. This came after several successful years between the two brands.



New Sponsors

Owning JingDong Gaming (JDG) meant JingDong (JD) was always front and center for the LPL audience to see. But this wasn't enough for JD, as they decided to go bigger, becoming an official LPL partner in 2022. JDG also didn't disappoint their fans, winning the LPL summer split 2022 and LPL spring split 2023.



In early 2022, LPL officially announced OnePlus to join the LPL as an official partner, highlighting how 3C (computer, communications and consumer electronics) products and brands are still strong sponsors in esports. There are currently eight 3C brands listed as official sponsors to the LPL or LPL teams.



In the last year, there was a significant push from luxury and fashion brands to integrate more closely into the world of esports, with these two brands creating headlines around their partnerships.

The French luxury fashion house became the official LPL beauty brand partner at the start of 2022. Coinciding with Valentine's Day, YSL launched a special-edition skin care gift box with LPL. This marked the second time a beauty+esports activation has happened in the LPL. In 2021, Lancome was the first beauty brand to partner with the LPL.



DIOR leveraged Edward Gaming (EDG)'s popularity after winning The Worlds 2021, shooting branded content at the LPL All-Star game. The brand also released a limited edition Sauvage photo series featuring EDG's players. DIOR is the only luxury fashion brand to sponsor a LPL team.



ONE SIXTY/NINETY

THE GIANT THAT LEFT CHINA

What Happened?

Blizzard Entertainment announced in November 2022 that it will end its cooperation with NetEase and suspend most of its game services in China. The cooperation, that had been active for the last 14 years, officially ended in January 2023. All esports events based on Blizzard games and servers were also terminated, most notably with the Hearthstone event at the Asian Games also being cancelled.

The Impact on Blizzard and NetEase

Blizzard is actively looking for a new partner to replace NetEase, however, the company have had no luck in finding a suitable replacement. NetEase then filed a lawsuit against Blizzard Entertainment in Shanghai for violating a series of license agreements requiring Blizzard to return \$43.13m of its arrears. On January 18 last year, Microsoft announced that it would buy Blizzard for \$68.7bn in an all-cash deal. However, the largest game merger in history could not be successfully completed. The deal is still waiting for antitrust regulatory approval after several rounds of communication with regulators and competitors.

The Future Opportunity

With Blizzard leaving, the top position for unique FPS games is left vacant by Overwatch. This might be the best time window for Valorant to take over the population that Overwatch left in the China market.



CREATOR ECONOMY

Candice

Famed LPL hostess since 2016, Candice's experience is more than just League of Legends esports, she also hosted the Qatar FIFA World Cup on Douyin in 2022.

Social following: 6.2M (Weibo) 2.5M (Douyin)
Brand Partnerships: Prada, Estee Lauder, L'Oreal

2022 LoL most popular host



Iris

The tri-lingual talent in the LPL, Iris made her name by being a well-informed host with a famous smile.

Social following: 2.5M (Weibo) 740k (Douyin)
Brand Partnerships: HP Victus, Garrard, Choosy club, Burto, Mobil, Movous couture

LPL Official host



Guan Zeyuan

Guan Zeyuan is a well-known commentator with a distinctive commentating style.

Social following: 7.3M (Weibo) 1.4M (Douyin)
Brand Partnerships: iQoo, 同程trip, Mercedes-Benz

2022 Top 10 esports hosts
Qatar FIFA World Cup 2022
Douyin guest, NBA Tencent video guest



PingZi

KPL's top caster with deep knowledge about the industry and well recognised for his trustworthy reputation.

Social following: 4.7M (Weibo) 1.6M (Douyin)
Brand Partnerships: PEPSI, ROHT, iQoo

KPL 2022 most popular host



Riot Games

League of Legends LCS Playoffs

Image credit to Riot Games



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2023 PREDICTIONS

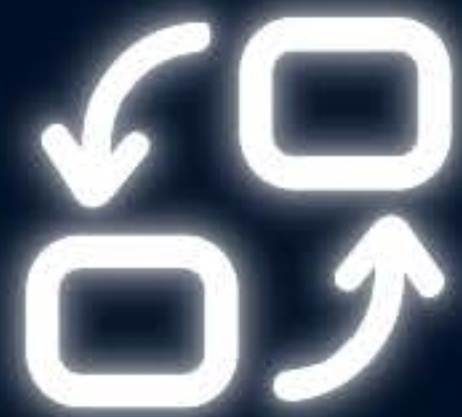
#01 Commercial Revenue Boost

Esports commercial revenue will see a significant uptick compared to previous years now that China is open and staging live, in-person events again. Live audiences are the cornerstone of esports events, and brands will be more than eager to start sponsoring, getting in front of excited and ready-to-spend consumers. It's the big cities which hold the keys to a boost in commercial revenue this year, as over 22% of the esports events in 2022 were held in Shanghai, whilst both Hangzhou and Chengdu held over 5%. Brands operating in these regions will no doubt be clamouring over 'home' events, targeting the much sought-after Gen-Z and Gen-A demographics.



#02 Shift in Titles

Valorant will be a very popular esports title after its open testing this year, with its league format set to follow the League of Legends style ecosystem. Teams will no longer be required to pay a huge sum to enter the tournament, and instead, it will be Riot Games inviting teams to make the foundation of the league. And following the ending of the NetEase and Blizzard cooperation, NetEase will put more emphasis on self-owned esports titles, as well as upping prize money, such as \$2m for the NBPL and NraKa Bladepoint World Championship.



#03 Hangzhou and Asian Games Have Notable Impact

The Asian Games in Hangzhou is set to include esports as an official sport for the first time ever. This will undoubtedly create a sense of national pride and heighten expectations and excitement around the event. China, notoriously good at esports, stands a very good chance of claiming a gold medal in the new category. To add to Hangzhou's place in the esports calendar, the Global Esports Tour will also take place in Hangzhou in 2024, meaning Alibaba's home city will become the most important esports city in China for the foreseeable future.



ABOUT MAILMAN

Mailman is Asia's leading esports digital agency. We exist at the intersection of digital & esports. We help top esports organisations & brands to build sustainable businesses in Asia, one of the world's most challenging regions. Mailman is part of the Endeavor network.



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We are particularly thankful to esports experts Ran Yao, Ethan Yu, Charlie Ma, Mia Wu and Eddie Chen who provided valuable insights for the report.

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