SRCC CHAPTER

INDUSTRY PRIMER

ESPORTS INDUSTRY

ESPORTS INDUSTRY

The driving force behind digital arenas, a new creator economy, and the very future of competition.

MARKET ANALYSIS

Explosive growth fueled by official sports recognition, a massive mobile-first youth audience, a surge in mainstream brand investment.

MARKET OVERVIEW

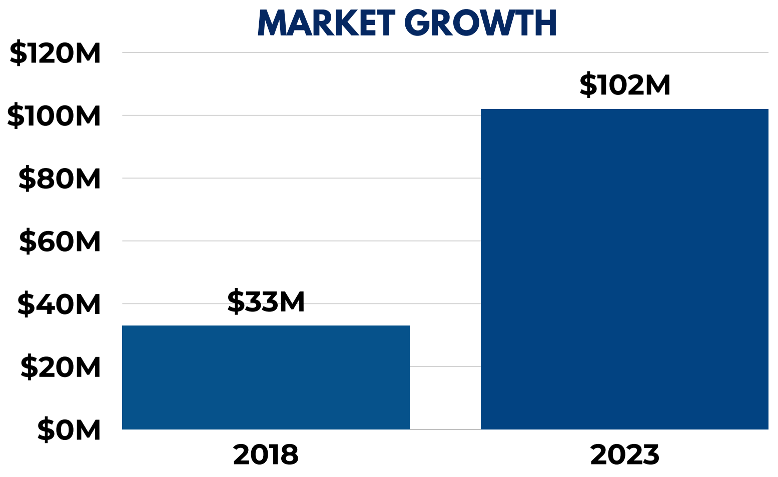
USD 208.73 Million	26.5%	USD 1,088.4 Million	1.5 Million
Indian Market Size	CAGR	Expected Indian Market Size	Active Athletes

Introduction

The industry is **mobile-first (85%),** unlike PC-led Western markets. Key competitive titles include BGMI and Valorant.

Still in its **"growth" phase,** the sector is formalizing talent pipelines and infrastructure as investment replaces bootstrapped origins.

Revenue relies heavily on **corporate sponsorships** (e.g., Red Bull, Airtel) and media rights, not ticket sales or consumer payments.



India's esports market surged from $33M to $102M, driven by **affordable smartphones, Jio's cheap data, and mobile-first titles** like BGMI and Free Fire.

Key Drivers

Growing Youth Population & Digital Adoption: The large youth demographic is highly digitally native, with smartphones being the primary access point for entertainment and gaming. This increases engaging with esports as both players and viewers.

Widespread availability of affordable internet: Ease of high speed internet especially in tier 2 & 3 cities has democratized access to online gaming and esports content, driving participation from a broader audience.

Rise of Mobile Esports: Mobile gaming dominates the market, like BGMI, Free Fire and Call of Duty. Mobile have massive player bases. The low barrier to entry for mobile esports has significantly accelerated its growth.

Investments & Ecosystem Development: Significant investments from venture capitalists, game publishers and endemic/non-endemic brands are bolstering infrastructure, prize pools and professional organizations.

Recent Merger & Acquisitions

Nazara acquired the remaining stake in Absolute Sports for Rs 145.5 crore, reaching 100% ownership over India's largest gaming/esports media platform.

This strategic move allows the esports giant to tap into India's massive and passionate cricket-loving gamer base, creating huge opportunities for audience cross-promotion.

Nazara Technologies acquired 47.7% stake in Moonshine Technology, for Rs 832 crore. This expands Nazara's presence in skill-based gaming beyond traditional esports.

NODWIN Gaming acquired Ukraine based esports organiser StarLadder in a deal valued at $5.5 million, expanding their global tournament organizing capabilities

Major Players

COMPANIES	CATEGORY	APPROXIMATE MARKET SHARE
	Event/IP ownership, tournaments, content, creator network, global tie-ups.	**40-45%** of premium tournaments. Dominates tier-1 events including ESL India, DreamHack, and official game publisher leagues.
KRAFTON	BGMI ecosystem, first-party tournaments.	**70-80%** of Mobile Battle Royale esports. Runs flagship tournaments with ₹1 crore prize pools, investing $50M yearly in India
	Pro rosters, content creation.	**25-30%** of top-tier team in visibility/fanbase. First and only Indian company selected as EWC 2025 Club Partner among 40 global organisations.
	Live game streaming and community.	**15-20%** of dedicated esports streaming platform. India's fastest-growing esports streaming app with 10M+ active users

INSIGHTS FOR FUTURE

Explosive growth fueled by official sports recognition, a massive mobile-first youth audience, a surge in mainstream brand investment.

PESTEL ANALYSIS

P – Now formally recognized as a **multi-sport event by the government**, separating it from RMG.

E – **Influx of capital** from non-endemic brands (FMCG, auto, finance) following the exit of RMG sponsors.

S – Mainstream **career acceptance grows**; regional content expands massive youth audience reach

T – **5G and cloud gaming** further enhance India's mobile-first dominance and digital accessibility.

E – Early **industry focus on sustainability**, targeting carbon footprint and e-waste reduction.

L – **Clear regulatory framework** under the National Online Gaming Commission (NOGC) is now in place.

CHALLENGES

01 – **Over-reliance on sponsorships (65%)**; no consumer payment culture like global markets.

02 – The number of **cybersecurity incidents** related to online gaming increased by 25%

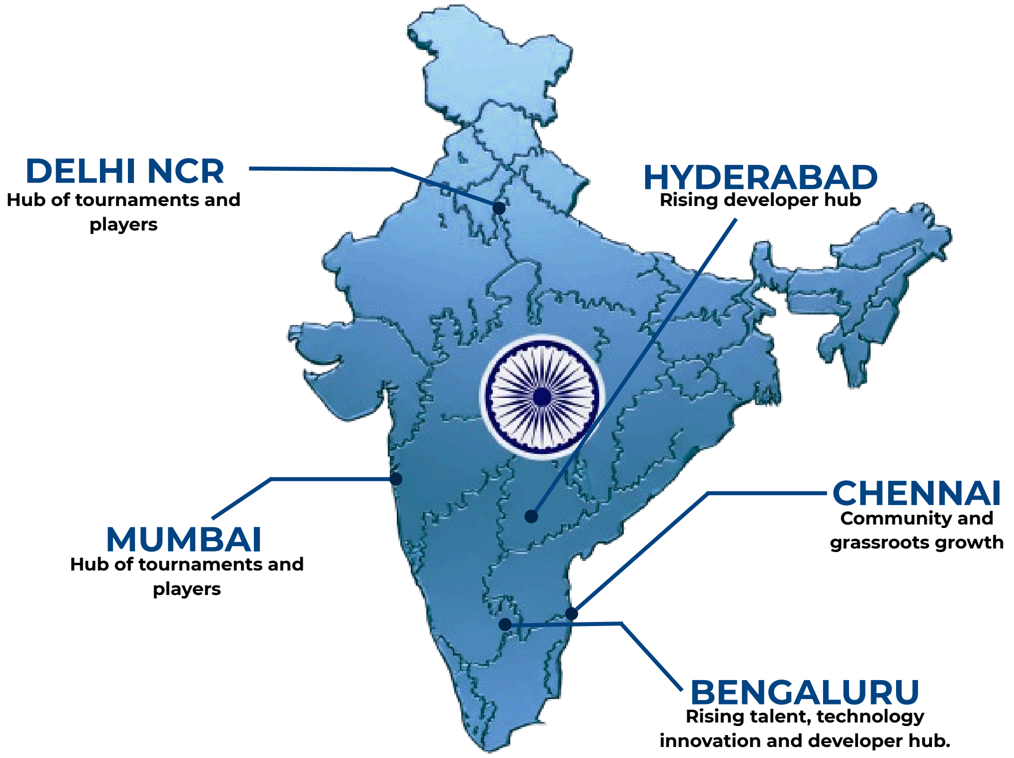
03 – Only about **35% of rural areas** have access to reliable and affordable high-speed internet.

04 – 10+ states have **gaming bans/restrictions**; lack of unified esports policy creates legal ambiguity

CITY CONCENTRATION

Esports in India is **mainly concentrated** in metro cities like **Mumbai, Delhi, Bengaluru and Chennai** due to their strong tech infrastructure, large gamer base, and presence of major esports organizations and tournaments.

Tier-2 cities like **Pune, Lucknow, and Jaipur are rapidly emerging** as new esports hubs, driven by affordable infrastructure, rising youth participation, and growing local tournaments.



ESPORTS ECOSYSTEM

ONE – The Foundation (Content & Event Creation)

Publishers create the game IP, which tournament organizers then license to produce professional leagues and live competitive events.

TWO – The Ecosystem (Talent and Distribution)

Pro teams and players showcase their skills before massive audiences. Streaming platforms broadcast these matches worldwide, turning it into a global spectacle.

THREE – The Economy (Monetisation and Consumption)

Brands and sponsors provide the essential funding for the ecosystem, monetizing the massive viewership and engagement generated by the fan base.