

# e-Sports Biz in Korea

May. 2008 / Korea e-Sports Association

MAY. 2008

## Unbelievable Truths



**18,000,000**

Number of Koreans who love **e-Sports**

**120,000**

Number of e-Sports fans on hot summer **Kwang-An-Li** beach

**432**

Number of Pro-gamers leading Korea e-Sports

**520,906**

Number of pro-gamer SLayerS\_'BoxeR' **fan club members**

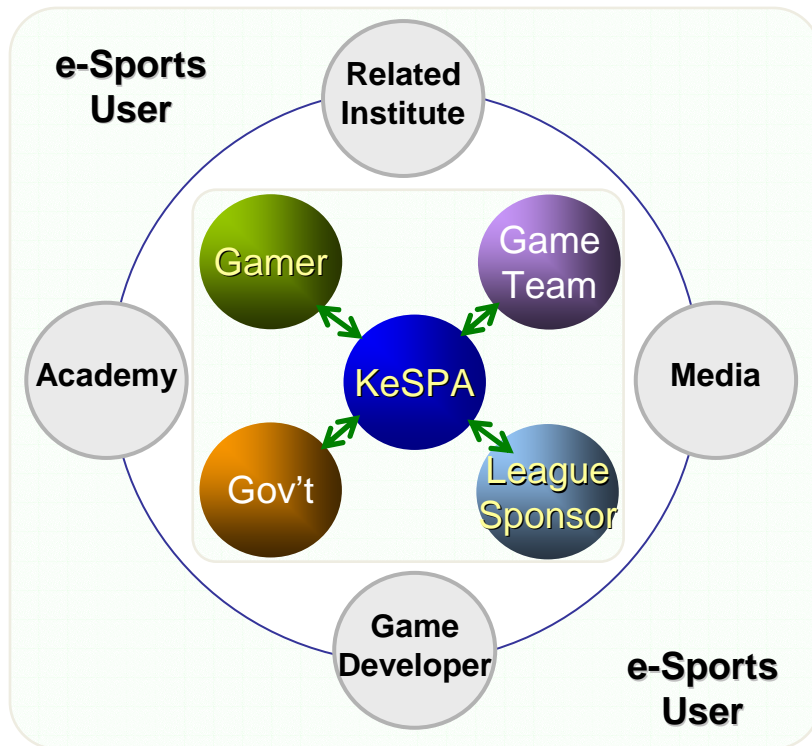
**5,000,000,000**

Number of people around the world who can enjoy Korea **e-Sports'** future

# Korea e-Sports & Role of KeSPA

- Korea e-Sports started 10 years ago
- KeSPA established in 2000 with the approval of the Ministry of Culture, Sports and Tourism Korea
- KeSPA contributed to the settlement of Korean e-Sports as a sound leisure culture for youth life and coordinating among various e-Sports actors
- KeSPA carried out as a representative e-Sports organization in Korea

## e-Sports Actors



## Role of KeSPA

- Supporting pro & amateur gamers and pro-game teams
- Set the e-Sports infra like rule, stadium, etc.
- Hosting the world largest e-Sports 'Pro-League'
- Hosting, approving, supporting Amateur tournaments
- Coordinating among various e-Sports actors
- Supporting e-Sports research studies & publishing
- Performing International Roles as a Korean Rep.

# KeSPA Structure

**KeSPA President**

**Boards**

**Office**

**Planning Dept.**

**League Management Dept.**

- 12 Executives (11 Corporate, 1 Government agency)
- Role to discuss and decide about business program operation, rule revision, approval of new executive application, etc.

- Official registering and recognize about pro-gamer, pro-game Team, games, league etc.
- Official e-Sports league organizing and operation
- Official referee dispatch and record DB managing
- International e-Sports interchange revitalizing
- Support general services to promote e-Sports infra.
- Commercialization about official devices and goods
- Research & publishing about e-Sports

# KeSPA History

## First KeSPA inauguration

- ✓ 21C Pro Gamer Association established
- ✓ Hanbit Soft Co.,Ltd. took the Chief of KeSPA
- ✓ Ministry of Culture, Sports & Truism Korea approved 'progamer registration system'
- ✓ Select 9 official games

1999 ~ 2000

2002 ~ 2004

2005

## Second KeSPA inauguration

- ✓ SK Telecom took the new Chief of KeSPA
- ✓ United 'Pro-league' started
- ✓ Official referee dispatched
- ✓ 1<sup>st</sup> KeSPA CUP 'KTF-Bigi Korea e-Sports 2006'
- ✓ Contract 'e-Sports revitalization M.O.U' with Korea Game Industry Agency
- ✓ Opened "Yong San e-Sports Stadium"

2006 ~ now

## e-Sports restoration period

- ✓ 21C Pro Gamer Association changed as "Korea e-Sports association"
- ✓ Hosted "KPGA TOUR"
- ✓ Hosted "Cybergames 2002"

## Establish foundation & globalization

- ✓ Hosted Korea e-Sports Award
- ✓ Hosted International e-Sports Symposium
- ✓ Contract 'e-Sports development M.O.U' with China
- ✓ Hosted 'Ministry of Culture, Sports & Truism Korea, 1<sup>st</sup> Korea Amateur e-Sports Games.'



# Korea e-Sports Status

## Game & e-Sports Population

- After 2001, e-Sports stepped into the growth period and the numbers of gamers dramatically increased
- 'Games' & 'e-Sports' settled down as a representative youth culture code, which enjoyed by half of Korean
- Everyday, Korean game users spend more than 1 hour on KeSPA official games at PC Room.
- Among the games playing at PC Room, KeSPA official games occupy more than 50%.

## Game Population Status

Year	Total number of internet user	Number of internet users for game	Portion
2006	34,120,000	15,940,000	55%
2001	24,380,000	5,800,000	23.80%

[Source: 'Survey on Information-oriented Status by Ministry of Information and Communications]

## The Most Watched Sports Programs



1st. Soccer  
(57.3 %)



2nd. e-Sports (33.1%)



3rd. Baseball (31.8 %)



4th. Mixed Martial Arts (20.8%)

[Source: Consumer Survey Report by Dongseo Research, 2008.Apr]

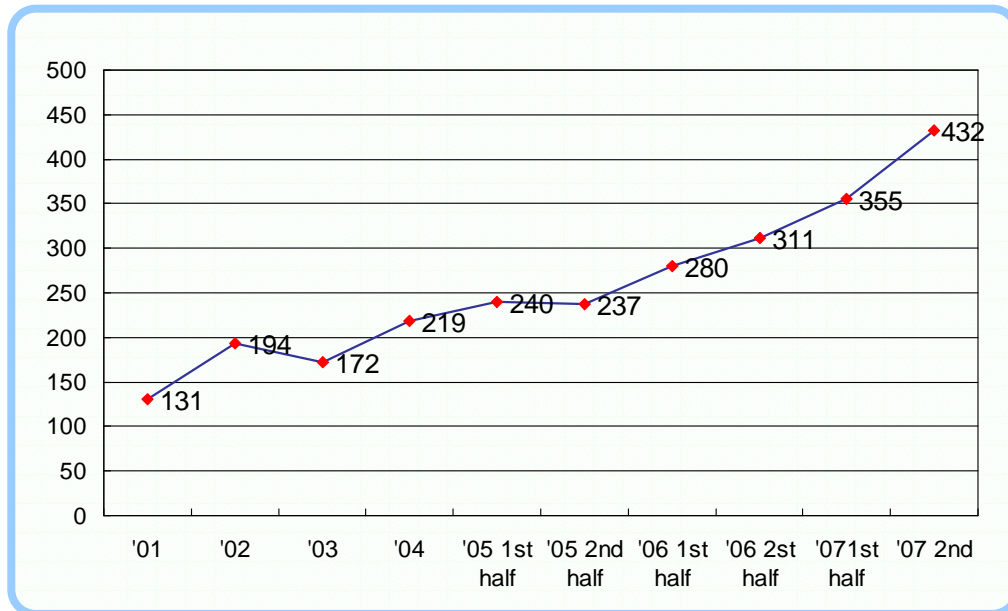
# Korea e-Sports Status

## Professional Gamers

- After 'the pro-gamer registration rule' in 2000, the number of pro-gamers have been increased by 16.3% annually
- Now 432 pro-gamers registered in 23 official games
- 'Pro-gamer' became the most favored job among the youth and the number got more than double
- Around 15 top pro-gamers receive more than USD 0.1 mil as their annual salary (Except for prize money)

Average annual salary of pro-gamers is estimated around USD 20,000

The number of Korean Professional Gamers('07. Dec)    The number of pro-gamer fan club members('07. Dec)



Lim, Yo-Hwan / 520,906



Park, Jeong-Seok / 150,008



Lee, Yoon-Yeol / 153,233



Hong, Jin-Ho / 146,438

# Korea e-Sports Status

## Professional Game Teams

- 12 Pro-game Teams are participating in the e-Sports League “SHINHAN Bank pro-league 2008” now (11 Company and 1 Military team)
- Due to the increased recognition of pro-gamer, direct participation of each company in e-Sports field increased through game team establishment
- Due to the growth of companies’ participation, the operation of league became larger and professional  
e-Sports league system settled

### Professional Game Team name and company category('08)

	1999. 12. KTF MagicN's Telecommunications		2000. 6. Samsung KHAN Digital Media		2001. 5. Hanbit Stars Game Development		2004. 4. Sk Telecom T1 Telecommunications
	2007. 8. WeMade FOX Game Development		2006. 3. LECAF OZ Sports Fashion		2006. 3. MBCgame HERO e-Sports CATV		2006. 4. CJ ENTUS Entertainment & Glossary
	2006. 6. Ongamenet SPARKYZ e-Sports CATV		2006. 10. eSTRO International e-Sport organizer		2007. 4. Airforce ACE Korea Air Force		2007. 5. STX Soul Ship Build & Trade



# Korea e-Sports Status

## e-Sports League & Tournaments

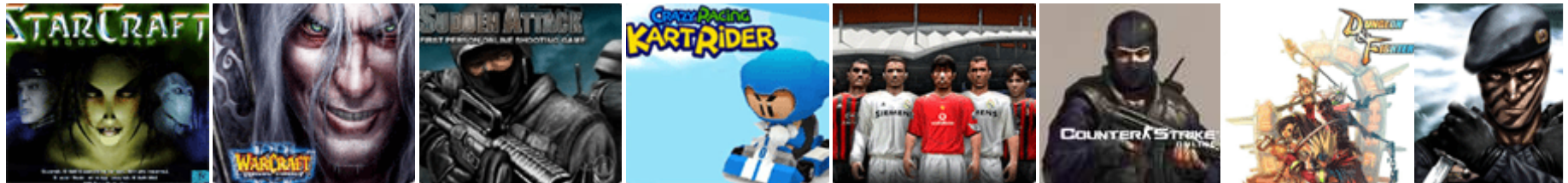
- Based on popularity of StarCraft, other games are tried to make e-Sports league/tournaments continuously
- Many different official games make e-Sports league to promote, increase users and try to make it global level
- Professional and amateur league/tournaments increase every year

### Official e-Sports Titles ('08. May)

RTS	Sports	Arcade	FPS	Casual	Racing	MMORPG	Rhythm Action	Total
2	7	2	7	1	2	1	1	23

### e-Sports League & Tournaments ('07)

Titles	CATV	Short term	Local	International	Official	Unofficial	Total	Prize Money
20	37	47	51	19	68	86	154	USD 2,779,229



## Korea e-Sports Status

### World's First e-Sports Stadium

- In 2005, the world's first e-Sports dedicated stadium was opened
- The stadium have been contributed to sound e-Sports leisure cultures

<b>Name</b>	<b>I'PARK mall e-Sports Stadium</b>
<b>Size</b>	<b>102.2m<sup>2</sup>, Main Stadium –around 500 seats, Small stadium -64 players seats</b>
<b>Utilize</b>	<b>Use for e-Sports regular tournaments and preliminary (small stadium) etc</b>



Main Stadium

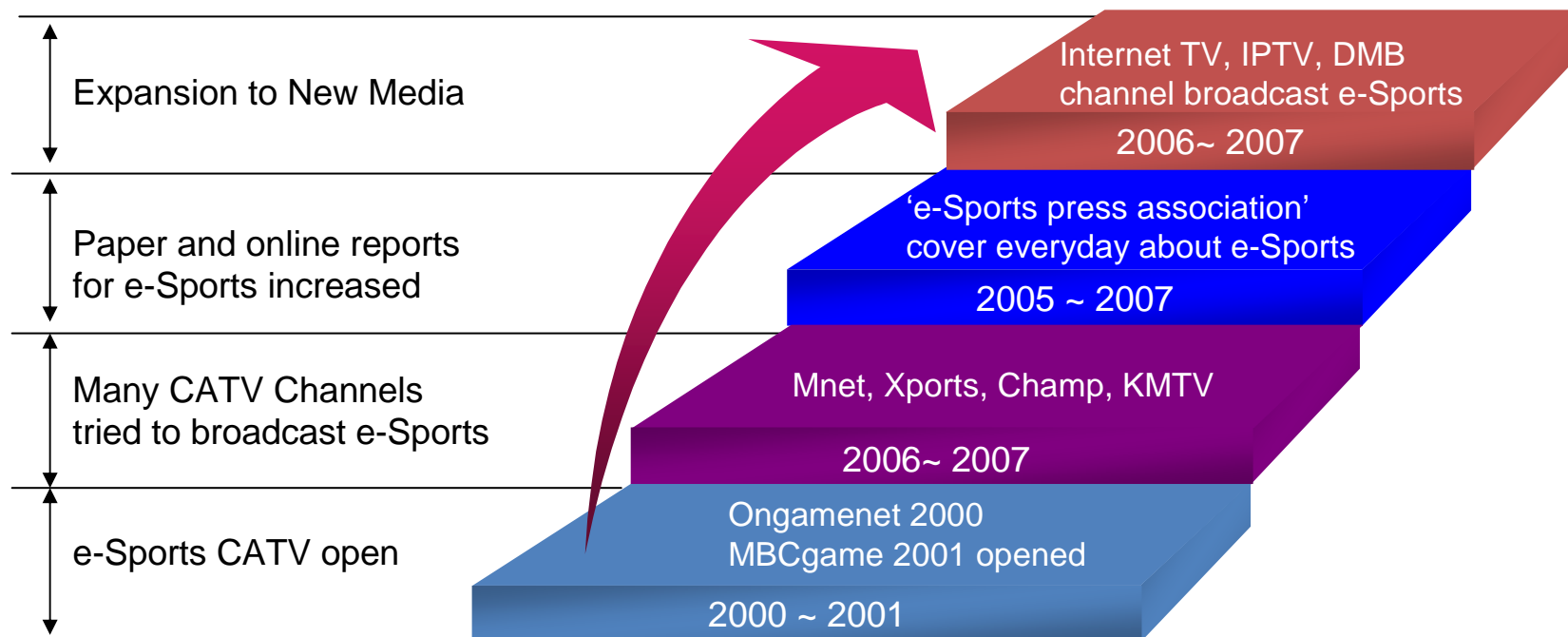


Small Stadium

# Korea e-Sports Status

## e-Sports media coverage

- Two e-Sports CATV (Ongamenet, MBCgame) broadcast e-Sports content 24 hours everyday and many other CATV channels try to broadcast e-Sports content
- Papers and reports for e-Sports increased annually, now 40 major 'e-Sports press association' cover everyday
- New media competitively joined to cover e-Sports
  - GOM TV('06), DMB('06), Hana TV('07), online portal (DAUM '07, NAVER '07), Pandora TV('07), Afreeca('07)
  - Especially, 99.4 mil people watched Pro-League in last year(2007) with New Media.

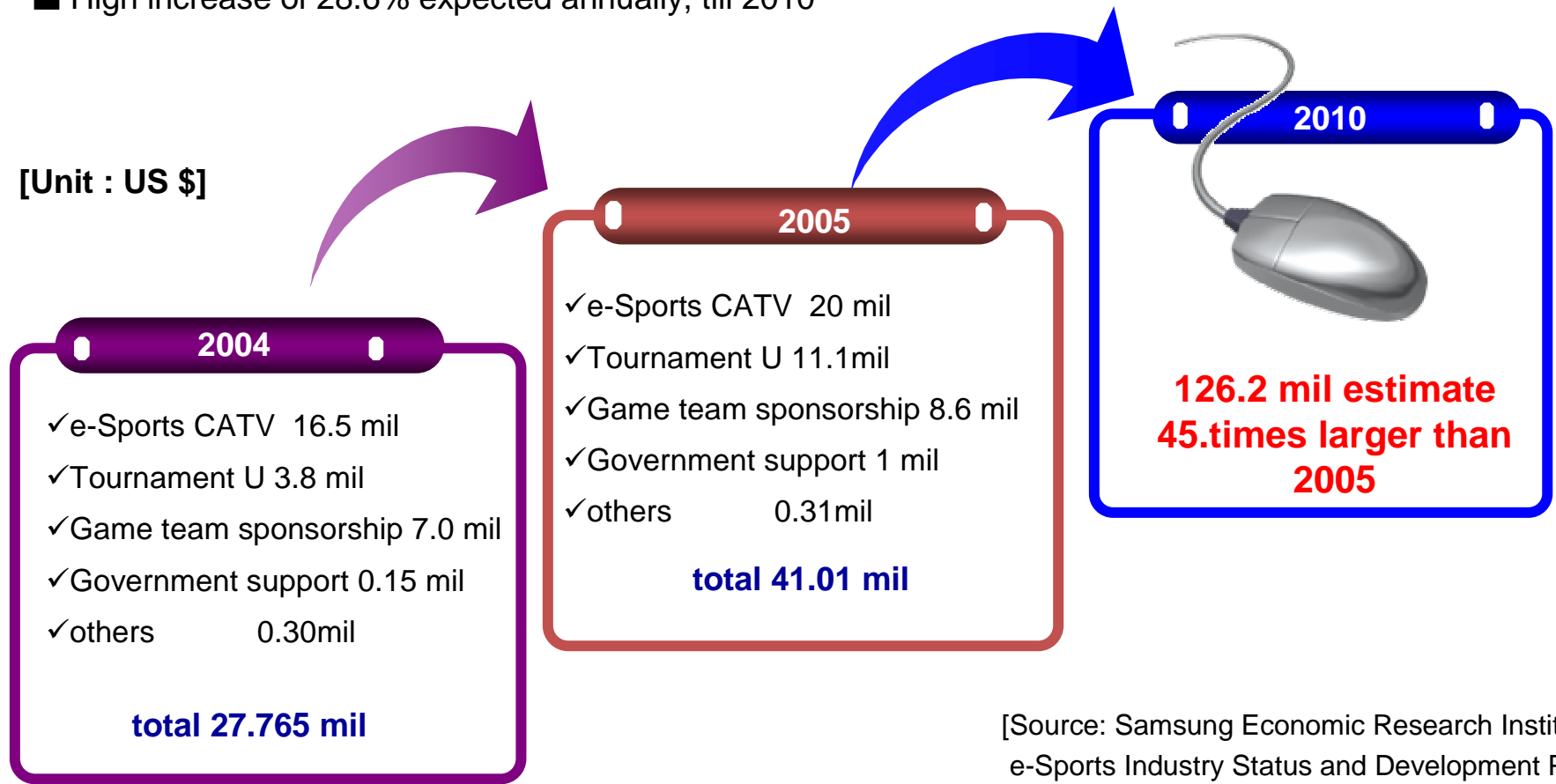


# Korea e-Sports Status

## Industrial impact

- Expected market size of 2007 is US\$ 81 million. 96% of increase than 2005
- High increase of 28.6% expected annually, till 2010

[Unit : US \$]



[Source: Samsung Economic Research Institute  
e-Sports Industry Status and Development Plans]

# Korea e-Sports PR & Marketing – CASE STUDY

## SHINHAN BANK Pro League 2007

- CATV AD Value : USD 203 mil (Total view rating 1R 0.736, 2R 1.096)
- New Media AD Value: USD 4.3 mil (Total view numbers 99,446,846)
- Media Coverage : USD 9.4 mil

**Total PR Value of Pro League in last year reached USD 216.7 mil**

### Comparative Index

Item	Average View Rating (CATV)	Major Event View Rating (CATV)	Source
Pro Baseball	0.7~0.8%	Korean Series 1~2%	KBO
Pro Basketball	0.4%	-	KBL
Pro Soccer	0.2~0.3%	National Soccer Team A matches 2~3%	KFA
e-Sports Pro League	<b>0.736(1R) / 1.096(2R)</b>	SHINHAN Pro League Grand Final 2007 <b>(Ongamenet – 1.808)</b> <b>(share of audience 10.93%)</b>	KeSPA



# Korea e-Sports PR & Marketing – CASE STUDY

## On/Offline Promotion

- Sponsor PR booth – free supporting tool distribution, sponsor's products PR
- Diverse online promotion events with internet portal 'NAVER' & e-Sports webzines – All-Star polls etc
- Special fan events – Children's Day, Coming-of-Age Day, Pro-gamer signing event
- Spo-tainment for fans – pro-game team's mascot, victory ceremony, regular fan meeting

### Sponsor PR Booth – SHINHAN BANK



SKT T1 - Mascot



Coming-Of-Age Day



Victory Ceremony



# Korea e-Sports PR & Marketing – CASE STUDY

## e-Sports Merchandising Biz

- Diverse merchandising products are being released – card, diary, e-Sports PC, computer accessories etc.
- Major sports wear companies support pro-game teams uniform (ADIDAS, Lecaf, FILA, Teddy bear, HEAD, k)
- Joint business – pro-gamer official dental clinic agreement with White Style Dental Clinic, official drink etc

### Star Mania Check & Debit Card



### Pro-gamer Teddy Bear



### Pro-gamer Dental Clinic



### Pro-Game Team Diary

