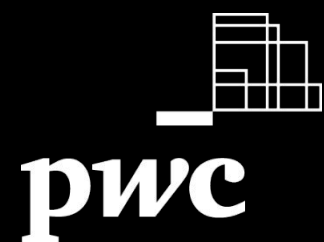




# Game publishers: the cornerstone of Esports





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# Executive summary

**Game publishers** stand at the forefront of the rapidly growing Esports market, steering the industry towards new and exciting territories. These visionary companies are not only responsible for designing and marketing games that captivate millions of players worldwide, but also nurture the competitive gaming landscape and drive innovation.

One of the most promising growth markets for Esports is the Middle East, and particularly **Saudi Arabia**, thanks to a young, tech-savvy population and strong government support for the sector. The region presents a wealth of opportunities for publishers aiming to establish a global presence. By designing games tailored for competitive play, building vibrant **Esports ecosystems**, and partnering with local stakeholders, publishers can unlock the full potential of the Middle East's Esports market and secure their place as key players in this dynamic market.





# Introduction

Over the last decade, Esports has evolved from a niche hobby into a global phenomenon, capturing large audiences and attracting significant investments. At the heart of this transformation are the game publishers responsible for creating and maintaining the games that underpin competitive gaming. Their growing influence extends far beyond the virtual realm.

From modest beginnings in the late 1990s when competitive gaming started gaining momentum, to the **multi-billion-dollar** industry we see today, publishers have played a pivotal role in shaping the Esports landscape. Early Grassroots competitions, initially in the form of LAN parties prior to migrating primarily online, set the stage for Esports’ growth into a global sport. Games such as **Counter-Strike**, **StarCraft**, **Warcraft III**, and **Quake** became the flag bearers of this new era, captivating audiences and inspiring a generation of competitive gamers.

As the industry matured, publishers introduced revenue-sharing models, franchising systems, and partnerships with media organisations and sponsors to enhance the financial sustainability of the fledgling Esports sector.

The global Esports market has been on a strong growth trajectory, reaching an estimated value of **\$1.72 billion in 2023**. This upward trend is expected to continue, with projections suggesting the market could grow to around \$2.39 billion in 2024 and potentially reach **\$9.29 billion by 2032**[1].

## Breakdown of 2022 global Esports revenue

Sponsorships:

**\$8,737.3 million**  
(94.11%)

Media Rights:

**\$207.8 million**  
(2.24%)

Publisher Fees:

**\$130.7 million**  
(1.41%)

Merchandise & Tickets:

**\$107.9 million**  
(1.16%)

Digital:

**\$53.9 million**  
(0.58%)

Streaming:

**\$46.3 million**  
(0.50%) [2]

The sustained growth reflects the increasing investments in the sector, a rapidly expanding audience base and a flourishing ecosystem of events and strategic partnerships - all contributing to the rising commercial appeal of esports worldwide.

# Key Drivers

## ✖ Nurturing talent and building communities

By providing platforms for players to connect, compete, and share their experiences, game publishers are cultivating a passionate fanbase that drives the growth of Esports. From organising tournaments and leagues to supporting content creators and streamers, publishers actively engage with their communities to create a sense of **belonging and loyalty**.

## ✖ Pioneering innovative monetisation strategies

As the Esports industry matures, publishers are exploring new **monetisation strategies** to generate revenue and sustain growth. From in-game purchases and battle passes to sponsorships and media rights, publishers leverage their intellectual property to create diverse revenue streams. However, striking the right balance between monetisation and **player satisfaction** is crucial, as publishers must take care not to alienate their core audience in pursuit of profits.



As Saudi Arabia continues its rise as a global esports hub, the collaboration between game publishers and regional stakeholders is crucial. By fostering innovation and nurturing talent, we aim to create a dynamic ecosystem that not only captivates players, clubs, and fans but also positions the Kingdom as a leader in the global esports landscape. Our shared vision with publishers ensures the development of inclusive, localised experiences that celebrate the rich potential of this region.



**Meshal Alqabbani**

Executive Director of Esports, SEF

As the Esports industry matures, publishers increasingly understand its potential as a standalone market, rather than merely a tool for player acquisition and retention. This shift in perspective has led to a surge in **publisher investments**, which hold the key to shaping the future of competitive gaming.



# Top publishers in the Esports arena

Several renowned publishers have made significant strides in the Esports industry, leveraging their popular titles to create thriving competitive gaming scenes. Some of the biggest players include:



Known for its highly successful titles *League of Legends* and *Valorant*, Riot Games has been a driving force in the Esports industry. The company's dedication to creating a sustainable Esports ecosystem has resulted in a thriving competitive scene, with major tournaments like the *League of Legends World Championship* attracting millions of viewers worldwide.



With iconic titles like *DOTA 2* and *Counter-Strike*, Valve – the company behind the popular Steam video game distribution platform – has been at the forefront of the Esports revolution. The company's flagship tournament, The International, also showcases Valve's commitment to supporting the competitive gaming community.

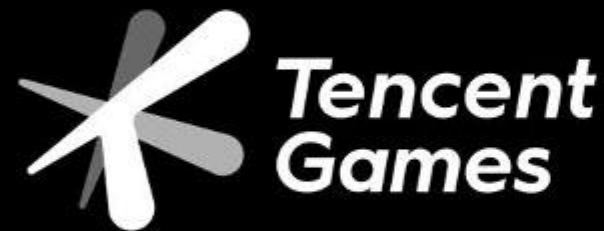


*Activision Blizzard* [3], now owned by Microsoft, has a long history in the Esports scene, with titles like *StarCraft*, *Overwatch*, and *Hearthstone* garnering significant competitive interest. The company's Overwatch League, a franchised Esports league, was a pioneer in the industry, paving the way for other publishers to explore similar models [4]. The revamped Overwatch Esports circuit, known as the *Overwatch Champions Series*, was launched in 2024, in partnership with regional operators around the world, and follows an open tournament format.

# Top publishers in the Esports arena



EA is another major player in the Esports realm, with a strong presence in sports titles such as **FC24** and **Madden NFL**, and in previous years, **FIFA**. It is also known for **Apex Legends**, which has gained significant traction in the competitive gaming scene. EA's competitive gaming division, has been actively investing in Esports by organising major tournaments and fostering partnerships with leading Esports organisations.



As the publisher of popular titles like **PUBG: Mobile** and **Honor of Kings**, Tencent Games has become a major force in the Esports scene. The company's focus on mobile gaming, innovative in-game experiences, and strong community engagement have helped shape the industry and broaden the reach of Esports globally.



Epic Games has made a significant impact in Esports, driven by titles like **Fortnite**, known for massive tournaments such as the Fortnite World Cup, and **Rocket League**, which joined its lineup after the acquisition of Psyonix in 2020. These games have cemented Epic's place in competitive gaming, supported by innovative events and collaborations that engage players and fans worldwide.



# The Middle East: The next Esports frontier

With 70% of its population under the age of 35, and a similar percentage identifying as gamers, **Saudi Arabia** has a significant economic opportunity to capitalise on its demographics by investing in the gaming industry and building itself up as a global gaming and Esports hub.

The Kingdom has shown a solid commitment to supporting the growth of Esports, recognising its potential to drive economic diversification and create new opportunities for the country's youth. In 2022, Saudi Arabia's **Public Investment Fund (PIF)** [5] announced investments of \$38+ billion in Savvy Games Group to develop the regional gaming sector. In 2024, Riyadh hosted the Esports World Cup (EWC), featuring a prize pool of \$60+ million [6]. Through organisations such as the **Saudi Esports Federation** & the **Esports World Cup Foundation**, and investments in state-of-the-art gaming infrastructure, Saudi Arabia is building a conducive environment for publishers to thrive.

For publishers, the Middle East represents a unique opportunity to tap into a market with immense potential. By localising content, fostering partnerships with regional stakeholders and governments, and investing in grassroots initiatives, publishers can establish a strong presence in the Middle East and position themselves at the forefront of the region's Esports revolution.



Kingdom's investment in  
Esports and Gaming in  
2022

**\$38+**  
billion



Esports World Cup  
prize pool

**\$60+**  
million



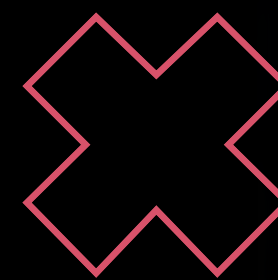
# Looking ahead:

## Embracing cross-publisher events and government partnerships

The Esports industry in Saudi Arabia and the broader Middle East is shifting from traditional single-publisher events to a new era of cross-publisher and cross-genre tournaments. Competitions like the **Esports World Cup (EWC)** are setting the stage, featuring a diverse lineup of games that promote inclusivity and appeal to wider audiences. This shift signals a broader trend towards interconnected ecosystems, where publishers, developers, and event organisers collaborate to create richer, more immersive experiences for fans.

While the region's gaming landscape is dynamic, stakeholders often encounter **obstacles** such as fragmented market access, differing regulatory frameworks, and the need to balance local cultural relevance with global trends. Navigating these complexities requires a thoughtful approach: tailoring content to resonate with local audiences, building strong partnerships within the region, and staying attuned to regulatory nuances to ensure smooth operations. By embracing these strategies, publishers can better position themselves for success in the Middle East market.

To make the most of this evolving landscape, it's essential to go beyond launching events or building facilities. It's about building a **comprehensive approach** that emphasises community engagement, nurtures grassroots talent, and explores innovative revenue streams tailored to local preferences. Collaborating with governments can provide the policy support needed, while **localised in-game content** can help maintain strong audience connections.



Number of inaugural EWC game titles

**21** games

The Middle East's focus on public support and innovation creates a solid foundation for growth in the esports sector. By blending local market expertise with global insights, stakeholders can unlock the region's full potential and propel the sector forward.

Sustaining this momentum, however, requires a responsive and forward-thinking approach. Embracing collaboration, understanding cultural nuances, and staying adaptable will enable stakeholders to build a thriving esports ecosystem, one that not only flourishes today but continues to **grow** for years to come.



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