



PayPal Report:

Europe and Esports: High Engagement and Even Higher Potential



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Introduction

Esports fans: a digital-native, lucrative, and untapped audience for brands

The past decade has seen the popularity of esports skyrocket throughout Europe and the rest of the world. Audience numbers are rapidly rising, for Esports Enthusiasts and Occasional Viewers alike. And just like in the wider games market, this engagement is translating into increased revenues.

With this audience and revenue growth comes an unmissable opportunity for brands, not only for those within the ecosystem but for those outside too. Competitive gaming is a trailblazer in every sense of the word, and sports, media, and consumer brands from San Francisco to Shanghai are already taking note.

As esports continues to innovate ways to engage audiences (and monetize them with services and products they love), the already invaluable opportunity is only growing more valuable. While esports has faced some challenges due to the pandemic, both the demand and supply of esports content are bigger than ever before.

Many brands can increase their marketing muscle, direct revenues, and more by paying attention to and leveraging this exciting market and its engaged, ever-growing audience.

In this report, based on research conducted by PayPal and Newzoo, we explore the esports ecosystem in Europe. We conducted the research in the United Kingdom, Germany, France, Belgium, the Netherlands, Spain, Italy, Norway, Finland, and Sweden, examining topics ranging from viewing behavior to spending.

We hope you find this report insightful and useful for shaping your understanding of the European esports ecosystem, for 2020 and the years to come.



495M

People will watch esports around the world in 2020.



Sander Bosman
VP of Research, Newzoo



Frank Keller
VP, PayPal Europe



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Head of Esports, Newzoo

Methodology & Scope

About this research

Research Objectives

The aim of this Custom Consumer Research project is to highlight the unique dynamics of Europe's esports ecosystem. More specifically, the research shines a spotlight on a variety of topics, including esports viewing behavior, spending habits, barriers to online payments, the impact of COVID-19, and the increasing role of women as consumers in esports.

Respondents and Methodology

Respondents: We surveyed 10,175 esports viewers across Western and Northern Europe. These respondents were aged 18-45 and are nationally representative of esports viewers within each country.

Computer-assisted web interviewing (CAWL): We sent out invitation-only surveys to respondents. Research was conducted over a period of one month (May 29–June 28, 2020).



Definitions of Key Terms

Esports Enthusiast: People who watch professional esports content more than once a month, in the last 12 months.

Occasional Viewer: People who watch professional esports content, on average, less than once a month, in the last 12 months.

Esports Audience: People who watch professional esports content in the last 12 months (Esports Enthusiasts and Occasional Viewers).

Total Esports Viewers: Anyone who has watched professional esports content.

Digital Esports Related Products: Digital esports-related products include in-game team-branded skins, stickers and other digital accessories, as well as any premium esports content passes that allow premium access to esports content, such as player point-of-view (POV) streams and exclusive media.

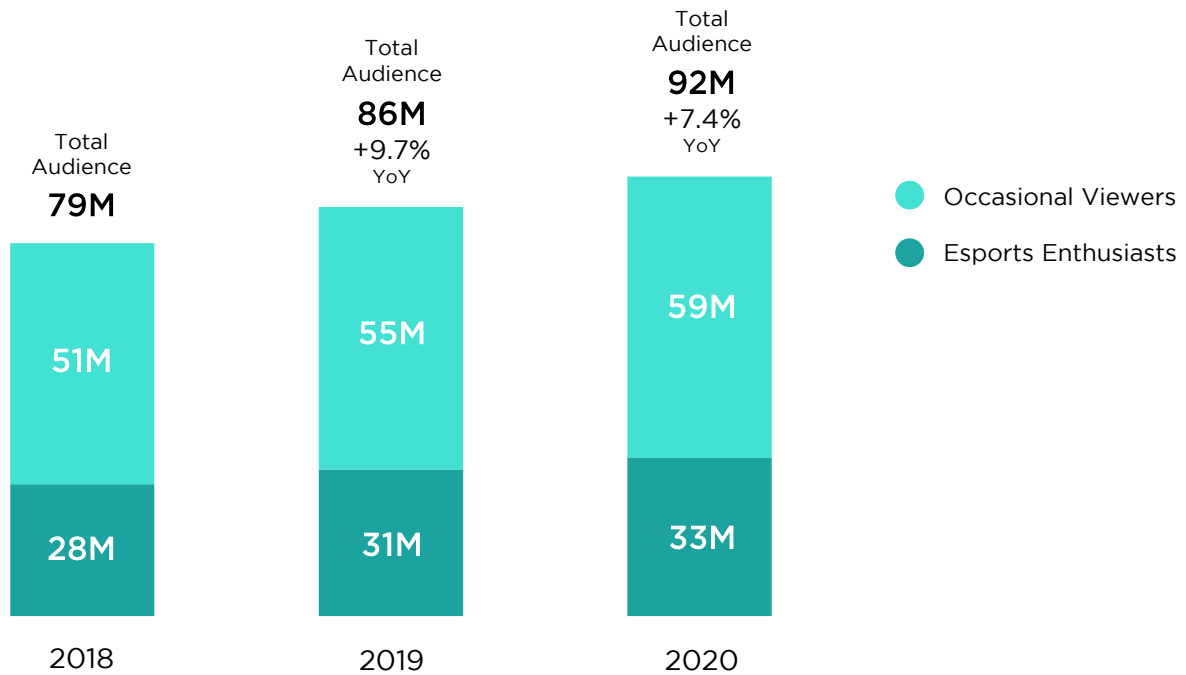
Team-Specific Physical Merchandise: Includes apparel and/or accessories related to esports teams, tournaments, and leagues.

Premium Content Passes: All paywalled over-the-top (OTT) viewing content related to esports.

European Esports Growth

Esports Audience and Revenue Growth for 2018, 2019, 2020

Esports Audience Growth | Europe

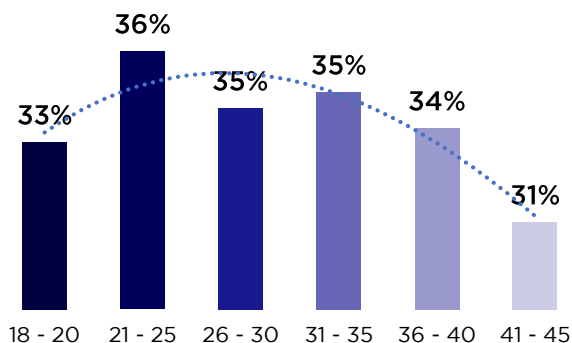


Due to rounding, Esports Enthusiasts and Occasional Viewers do not add up to the total audience in 2020.

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The European esports audience will grow to 92 million by the end of 2020, up +7.4% from the previous year. Esports Enthusiasts will account for 33 million of Europe’s audience, with Occasional Viewers making up the remaining 59 million. In terms of revenues, the global esports market is on track for explosive growth. It will generate \$973.9 million in 2020, growing to \$1.6 billion by 2023. Revenues in Europe are on track for similar growth.

Esports Enthusiasts by Age



Esports Enthusiasts are not as young as you might think. Only 33% of esports viewers aged 18–20 watched esports several times a month. People aged 21–25 were most likely to be Esports Enthusiasts.

The distribution of Esports Enthusiasts differed across countries. In Finland, 52% of those aged 18–20 were Esports Enthusiasts, compared to only 21% in the U.K.

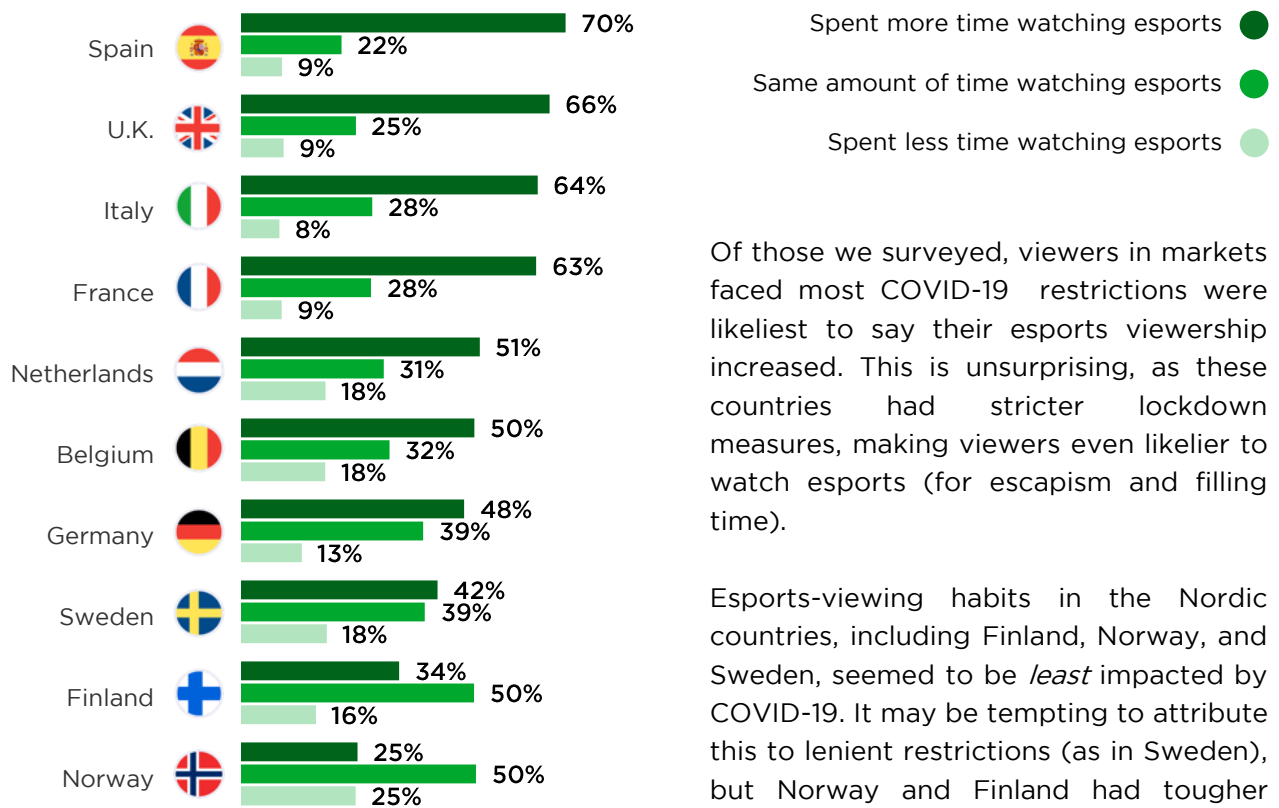
1.

COVID-19:
Impact on
Gaming and
Esports

COVID-19: Impact on Esports Audience

Esports viewership increased, which may extend beyond COVID restrictions

Change in Esports Viewership Since COVID-19 by Country | Esports Audience



Of those we surveyed, viewers in markets faced most COVID-19 restrictions were likeliest to say their esports viewership increased. This is unsurprising, as these countries had stricter lockdown measures, making viewers even likelier to watch esports (for escapism and filling time).

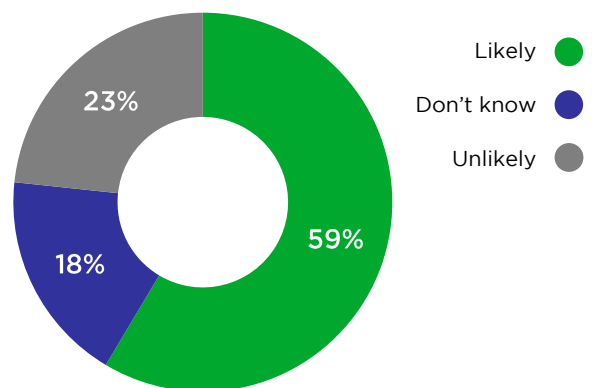
Esports-viewing habits in the Nordic countries, including Finland, Norway, and Sweden, seemed to be *least* impacted by COVID-19. It may be tempting to attribute this to lenient restrictions (as in Sweden), but Norway and Finland had tougher lockdown measures.

Likelihood of Spending More Time Watching Esports | Esports Audience

59%

of respondents who said they spent *more* time watching esports expressed they will continue to watch even after the lockdown measures are lifted.

Respondents in Spain and the U.K. had the highest share of those who said they will continue to watch more after lockdown (62%).



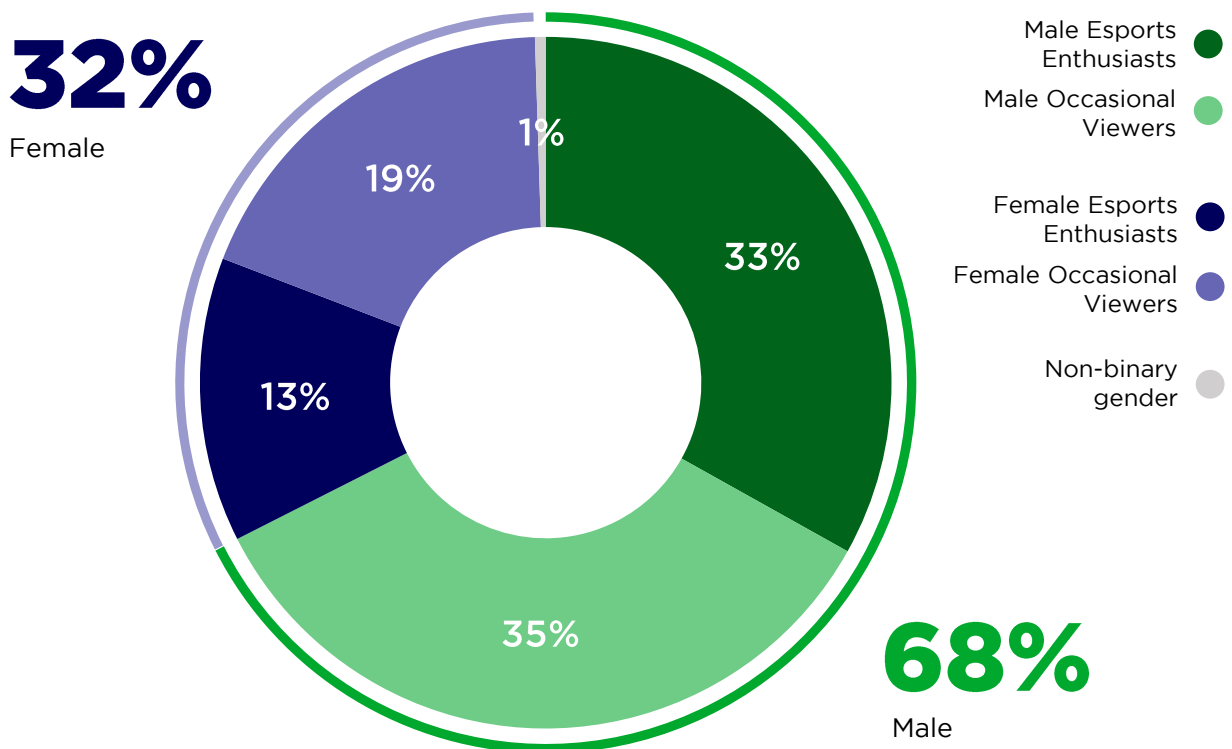
2.

Women in Esports

Women in Esports: Engagement Is High

A third of the esports audience in the major European markets is female

Engagement in Esports by Gender | Esports Audience



Despite popular belief, women are already engaged with esports. Just under a third (32%) of the esports audience we surveyed were women, with the majority being Occasional Viewers.

While women’s engagement is growing on an enthusiast level, there are also more women entering the market as competitors. In 2019, for example, an all-female pro League of Legends team competed in the LCL, the highest level of professional League of Legends competition in Russia. While the team underperformed, it sparked conversations about the role of women in the scene. Increasing female participation is reflected in the survey results.

In this research, we asked male and female esports viewers about their attitudes toward female participation in esports, what they think about male, female, and mixed esports tournaments, and—vitaly—whether they feel that female participation is growing.

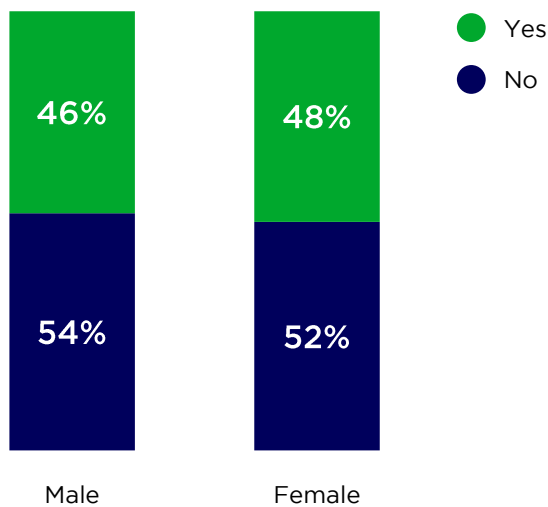
Around 60% of Europe’s esports audience agreed that the number of women participating in esports is growing.

Of the Esports Audience in France, 68% indicated they were interested in mixed-gender esports tournaments, with a further 27% saying their interest didn’t depend on gender.

Women in Esports: Spend and Engagement

The buying power of women in esports shouldn't be underestimated

Money Spent on Esports Products by Gender | Esports Audience



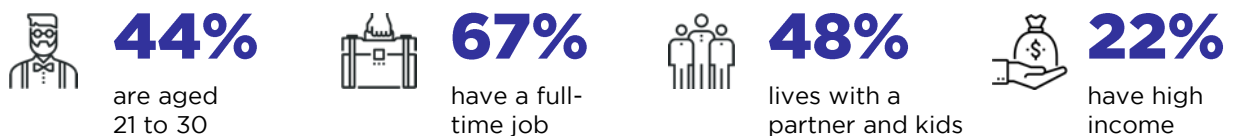
Men are likelier to be Esports Enthusiasts (38%) compared to women (27%). However, despite being slightly less engaged in esports, the female esports audience is just as, if not more likely, to have spent money on esports products in the last 12 months.

48%

of the European female esports audience spent money on esports-related products in the past 12 months—compared to 46% of the male esports audience.

Female esports audience members in Spain were the most likely to indicate they had spent money on esports-related products (56%), followed closely by Italy (53%) and France (51%). Just 27% of women in Finland's esports audience indicated they spent money on esports-related products in the past year, compared to 43% of men.

Who Are the Esports Spenders?



What Are Women Buying?

48%

of women who spent money on esports-related products in the last 12 months bought physical merchandise, compared to only 38% of male esports spenders.

While women preferred physical esports merchandise, such as team-sponsored gear, men preferred digital merchandise, such as in-game skins or stickers.

- #1 Physical Merchandise
- #2 Digital Merchandise
- #3 Betting or Wagering
- #4 Premium Esports Content Passes

3.

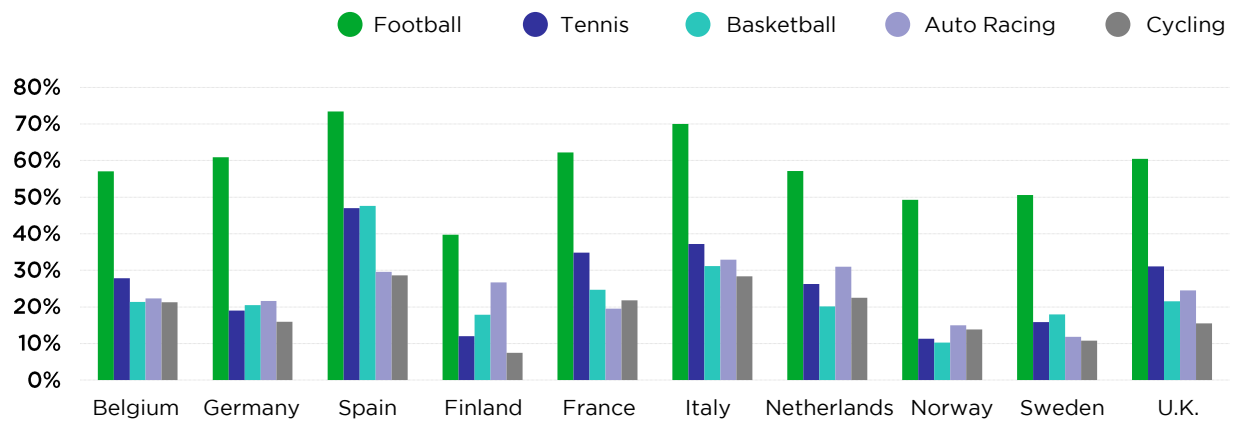
Esports and Traditional Sports Relationship

Traditional Sports Intersects with Esports

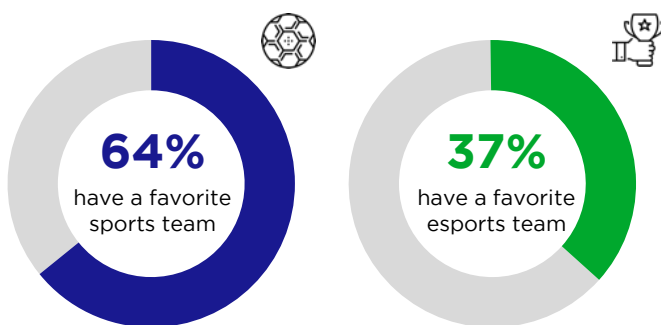
The strengthening relationship between esports and traditional sports

Soccer is incredibly popular in Europe (especially Western Europe), which is reflected in the region’s esports scene. More than a quarter of Esports Enthusiasts in the markets covered watched Rocket League esports content in the last 12 months, making it the sixth-most-popular esports franchise in these markets. Relatively speaking, the market that views Rocket League most is the U.K., with 34% of Esports Enthusiasts watching. Auto Racing is especially popular in Italy, which likely pushed iRacing’s Italy-based viewership during the lockdown period (racing organizations like NASCAR switched to iRacing during their real-world sport’s cancelation).

Popularity of Europe’s Biggest Sports by Country | Esports Audience



Sports vs. Esports



37%

of the Esports Audience in Europe have a favourite esports team, while 64% of those same esports viewers have a favourite sports team.

#1



#2



Real Madrid and Barcelona were the European Esports Audience’s two favourite teams.

75%

of respondents who are FC Barcelona fans were interested in their favourite sports team branching out (further) into esports (74% of Real Madrid fans).

4.

**Esports
Enthusiasts
Spending
Behavior**

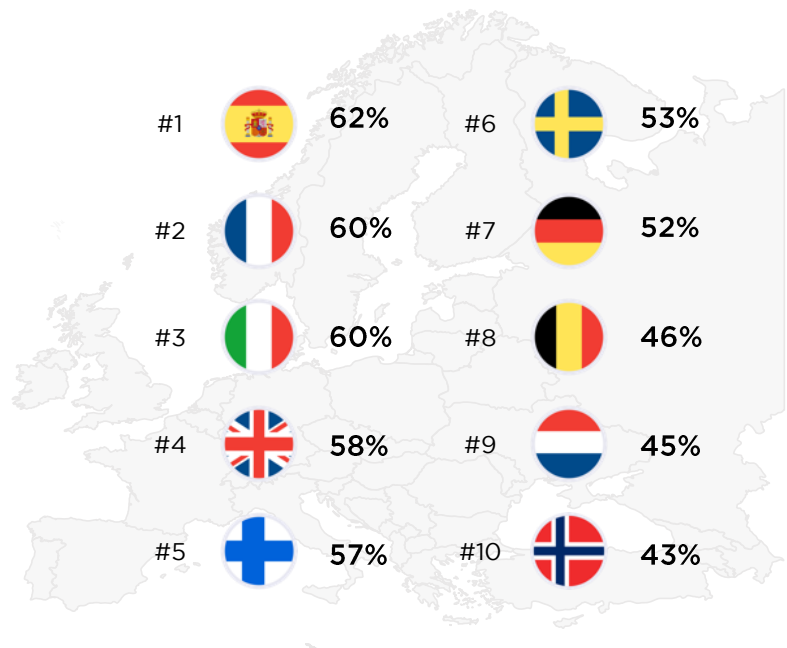
Spending Behavior Among Esports Enthusiast

High engagement typically trickles into higher spend per enthusiast

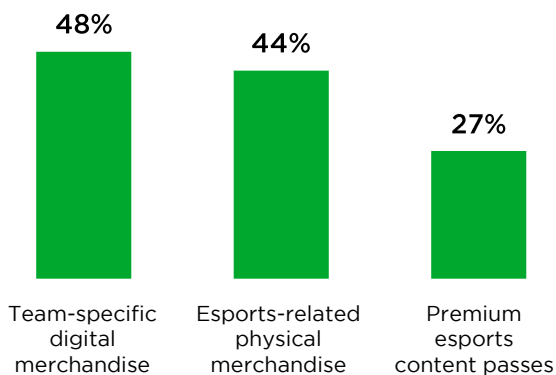
Spend Money on Esports by Country | Esports Enthusiasts

Across all markets, 58% of Esports Enthusiasts spent money on esports-related products, compared to just 37% of Occasional Viewers.

Esports Enthusiasts in Spain were most likely to spend on esports products, with 62% indicating they had done so in the past 12 months.



Which Esports Products Do They Spend On?



48%

of Esports Enthusiasts who spent money purchased team-specific digital merchandise, including skins, banners, and other content. Cosmetic goods, such as in-game skins, were valued over more functional items.

What Share of the Money is Spent on Self vs. Others?

Esports Enthusiasts estimated that 45% of the money they spent on digital esports products was for others, the largest share of which went to their partners (19%).

