French Esports Economic Observatory

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PARIS&CO

SYNDICAT DES ÉDITEURS DE LOGICIELS DE LOISIRS

VIDEO GAMES EUROPE

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CENTRE DE DROIT ET D'ÉCONOMIE DU SPORT

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- Amélie Oudéa-Castéra,
Minister for Sport and the Olympic and Paralympic Games

MINISTÈRE
DES SPORTS
ET DES JEUX OLYMPIQUES
ET PARALYMPIQUES
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"*The most important thing is always to know in order to predict, in order to be able to*". I spoke these words of Auguste Comte at the inauguration of the French National Observatory for Sport, which was set up on 13 February this year. Its mission is to provide regular information on the state of and trends in physical activity and sport to public decision-makers, the sporting movement, economic actors in sport and, more generally, the general public.

This first French Esports Economic Observatory is pursuing the same mission, so that collectively we have the means to provide, over the long term, the data and analysis tools that are essential for steering our public policies.

That's why the Ministry of Sport and the Olympic and Paralympic Games (MSJOP) is providing financial support for this initiative.

Firstly, because we need to better understand the development prospects for esports. This is a necessary step for an industry that is in the midst of a period of consolidation, with the main French actors consolidating and new ones emerging, and that is growing rapidly, both in terms of the number of players - up by 1 million between 2022 and 2023 - and in terms of its economic weight, which has almost tripled in four years.

Secondly, because we need to provide better support for the esports sector in the face of the challenges it faces. These include, first and foremost, ensuring the long-term viability of the model, but also making those involved more responsible, with a view to providing greater protection for players, especially young people. Risk prevention - addiction, sedentary lifestyle, isolation, exposure to online violence - must be a major lever for innovation and socialisation, particularly in terms of greater inclusion and sharing between generations.

These ambitions were already at the heart of the Policy Impetus and Strategic Coordination workshop we organised in January 2023 with the Minister for Digital Transition and esports stakeholders. Together, we came up with an action plan to speed up the implementation of the 2020-2025 esports strategy, focusing on two key areas: continuing to structure the esports industry and boosting its appeal.

With this observatory, we now have all the tools we need to "know", "predict" and therefore, collectively, "be able to". And we're on course, in line with the pioneering role our country has always played in sport: to make France a great sporting nation.

Editorial

Soutenu par MINISTÈRE DE L'ÉCONOMIE, DES FINANCES ET DE LA SOUVERAINETÉ INDUSTRIELLE ET NUMÉRIQUE
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- Marina Ferrari,
Secretary of State for Digital Affairs

France is a pioneer in esports both in Europe and around the world. This is partly because of the dynamism of the sector, but also because of the mobilisation of public authorities to support it.

Presently, France is home to almost 250 esports players who are helping our country shine on the international stage, and of whom we are particularly proud: Marie-Laure "Kayane" Norindr, Mathieu "ZywOo" Herbaut and William "Glutonny" Belaïd, to name but a few. Esports in France is also about top-notch teams, an exceptional fanbase and a community of stakeholders - businesses, local authorities - who together fly the flag for the French team.

More broadly, esports is part of the video game family and contributes to the vitality and influence of the sector. French gaming studios, whose reputation is well established in Europe and the rest of the world, are contributing to and benefiting from this dynamic.

Over the last few years, esports has transformed itself from a simple entertainment form into a genuine economic sector, a laboratory for innovation and a powerful lever for regional dynamism. Similar to traditional sporting competitions, esports in France now attracts large numbers of national and international visitors, generating significant economic spin-offs for the regions hosting the events.

Our digital economy benefits greatly from this: investment in teams, tournaments and sports infrastructure not only stimulates job creation, but also fosters the emergence of innovative companies in the field of entertainment technology and the audiovisual sector more generally.

What's more, the international success of French esports teams is not just a victory for those passionate fans who follow the sporting competitions, but also a tool for promoting French excellence.

The Observatory's figures are a welcome way of quantifying the excellent progress made by the sector as a whole, following on from the observations made in 2021 when the first economic study of esports was published by the French Ministries of the Economy and Sport. They also illustrate the results of the Government's action, in conjunction with all the actors in the industry, within the esports Strategy 2020-2025 to create an environment conducive to the growth of the industry.

Finally, esports is playing a major role in making the gaming world a more inclusive place. It offers a platform where diversity is celebrated. Teams made up of players from all backgrounds bring together a variety of communities: where skill and passion are the only criteria for success.

We must continue to support this ecosystem, which not only strengthens our position on the world stage, but also enriches the social, cultural and political fabric of our nation.
Together with my dedicated teams, I am continuing to provide strong support for this dynamic sector.

Editorial

This study is a particularly welcome initiative, the first of its kind to give an accurate account of the role played by the esports sector in France. It confirms the tremendous economic acceleration that has taken place over the last three years, but also provides an accurate and balanced snapshot of the French esports sector and its challenges. This is an essential complement to the analysis of practices carried out each year as part of the France Esports Barometer. Without a precise analysis of the market, the number and size of structures, and an evaluation of the sector's needs there can be no public policy to support and develop esports. This study is therefore an invaluable tool. That's why SELL has decided to join forces with Paris&Co (Level 256) and the French Ministry of Sport.

For many years now, SELL has been strongly committed to the development of esports in France, through its presence at the heart of the benchmark association France Esports, of which it is a driving member, and through the large esports stage at *Paris Games Week* each year, a real showcase for the entire ecosystem.

Basically, through this study, we are pursuing this commitment to partnership, bringing together actors, associations, teams, tournament organisers, publishers and public authorities around a shared desire: to make France a leading country in esports.

- Nicolas Vignolles,
General Delegate of SELL

What does this study show?

First and foremost, the work we've been doing for several years is starting to bear fruit: the development of esports in France and France's attractiveness on the international stage is now a tangible reality. The dialogue we've established with the public authorities (the Ministry of the Economy and the Ministry of Sport) has enabled us to move forward, with real concrete results such as the talent passport and the recent reduction to 5.5% in the rate of VAT on tickets for esports competitions.

This study is a timely reminder that the French method works! This progress is made possible by public authorities, players, organisers, teams, representative associations and video game publishers working together. Video game publishers in particular, as holders of intellectual property rights, do a great deal to promote and develop esports: the major tournaments organised around the world every year are fantastic showcases for the entire sector. Here again, our partnerships are proving effective: in 2023, France hosted the Blast. tv Paris Major, a ***Counter-Strike Global Offensive Major*** at the Accor Arena, which was followed all over the world, as well as a League of Legends LEC at the Montpellier arena, all of which put France at the centre of the world map!

This study comes at a very positive time for French esports, with major regulatory and economic advances. It reflects the strong economic momentum of the sector and therefore a successful development strategy. The public authorities' stated desire to support the sector must now reinforce and amplify this strategy, which is unique in Europe, bringing together all the links in the sector: players, teams, organisers, video game publishers, stakeholders, sponsors and public authorities.

Editorial

- Anne Gousset,
Managing Director of Paris&co

In an ever-changing world where the boundaries between the physical and the virtual are blurring, esports is emerging as a remarkably dynamic and influential phenomenon of our time. At the intersection of technology, entertainment and sport, esports transcends traditional boundaries to shape a new era of competition, creativity and innovation.

At Paris&Co, we are passionate about exploring the emerging trends that are redefining our society and our economy. We are also convinced that innovation must help to transform society, and that it must be at the service of economic, societal and ecological transitions: to this end, we work with public and private organisations and with entrepreneurs to bring about sustainable solutions. Paris&Co was behind the creation of the Maison de l'Esports (House of Esports) in the 20th arrondissement (district) of Paris, which is now run by a major player in the sector, and has developed cutting-edge expertise in esports by working with entrepreneurs, major accounts and local authorities.

It is in this spirit that we are proud to be behind the first edition of the French Esports Economic Observatory, the fruit of meticulous work and in-depth analysis of the French esports economic ecosystem.

Esports is no longer simply a recreational activity practised by passionate amateurs: it has metamorphosed into a thriving industry, attracting investment and benefiting from global audiences and diverse talent. The French Esports Economic Observatory aims to provide a snapshot of the industry's economic weight in France and to track its development over time in order to provide a comprehensive overview of the trends, challenges and opportunities shaping this fast-growing industry.

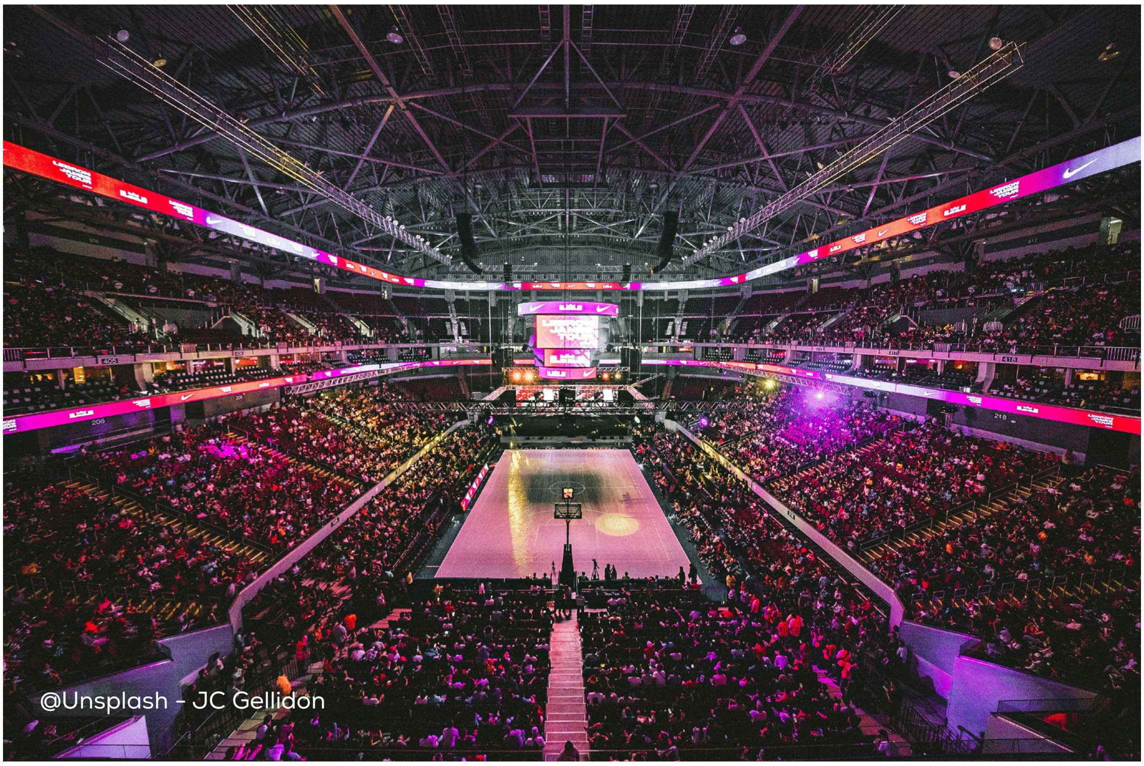
As we navigate the changing landscapes of an evolving sector, it is imperative to understand and anticipate the transformations that could redefine the contours of the esports scene in France. As an innovation agency committed to promoting creativity and economic development, we are convinced that French esports will continue to play a key role in the global landscape, inspiring new forms of collaboration, competition and excellence.

We hope that this first edition will serve as a valuable guide for decision-makers, entrepreneurs and enthusiasts alike, and we hope you enjoy reading it!

Introduction

Video games are more prominent in our society than ever before. Worldwide, the number of people playing video games is reaching record levels, with around 3 billion people on the planet.[1] As this base of gamers expands, France, for its part, seems to be gradually establishing itself as a video game stronghold. By 2023, over 39 million French people will be playing video games, representing around 72% of the national population - an all-time record.[2] The public's passion for video games seems to span the entire demographic range. First and foremost, video games are a leisure activity enjoyed equally by men and women, with women accounting for 48% of casual gamers and 47% of regular gamers.[3]

What's more, video games have a strong intergenerational dimension. Although the youngest players are the most ardent fans, video games are not just for them. In France, for example, there are 7.5 million gamers over the age of 60, which clearly demonstrates the universal and inclusive nature of this sector.[4] In addition to these eloquent figures on the number of people playing video games, it also seems that the way in which video games are viewed is changing, insofar as more than three out of five French residents now have a positive image of video games.[5] Video games are clearly a cultural phenomenon that is impossible to ignore in an increasingly digital society.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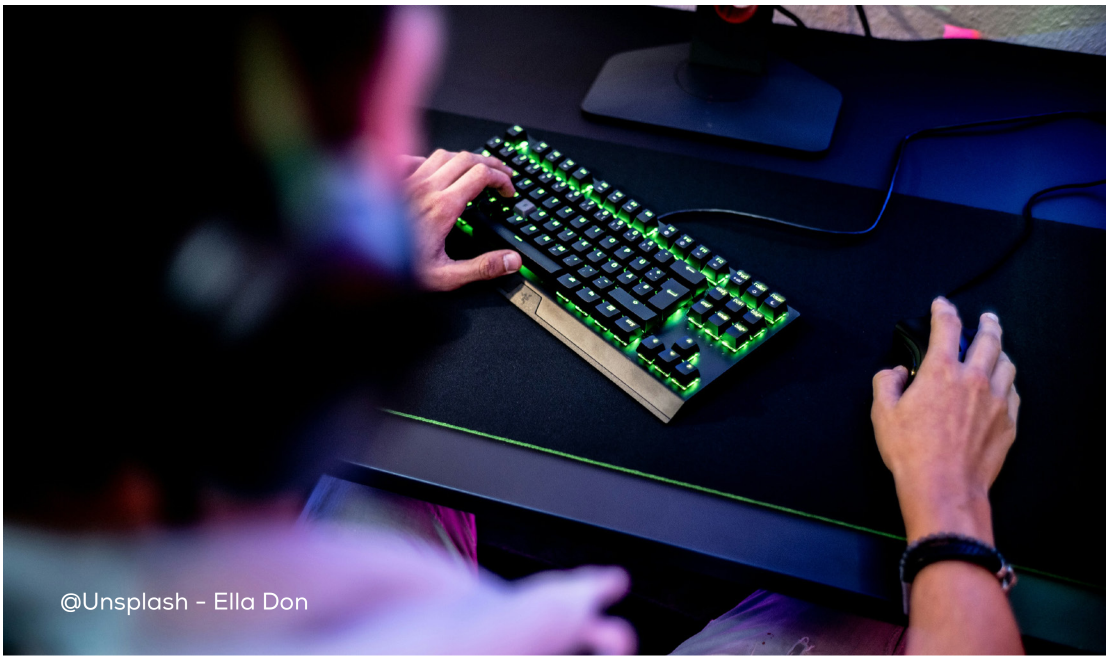
[1] *Source : DFC Intelligence Global Video Game Consumer: Market Overview, DFC, 2023.*
[2] *Source : The French and video games, SELL and Médiamétrie, 2023.*
[3] *Ibid.*
[4] *Ibid.*
[5] *Ibid.*

Since the end of the 20th century, the continuing development of the video game sector has been accompanied by the emergence of its competitive counterpart with the advent of esports. Defined as "*competition between several individuals or teams through an electronic medium*"[6] esports has rapidly won over a large audience now numbering in the hundreds of millions across the world. In France, there is estimated to be around 11.8 million esports players or consumers in 2023, representing 23% of Internet users nationwide over the age of 15.[7] The development of esports and the esports fanbase in France have been rapidly accompanied by an expansion in the number of major events organised across the country. Competitions, video game fairs and exhibition matches, among others, have developed and are attracting thousands of spectators, demonstrating a real excitement around the sector.

The growing popularity of esports activities has naturally attracted the attention of the public authorities, who are showing increasing political will and commitment to developing esports in France. A number of legislative changes have been introduced recently, such as the extension of talent passports to esports athletes and their coaches in 2023[8] or the lowering of the VAT rate on tickets for sporting events to 5.5% from 1 January 2024.[9] In this way, esports seems to have taken over both the public arena and the political agenda in the space of thirty years[10], evolving from a niche sector to a real cultural powerhouse in the making.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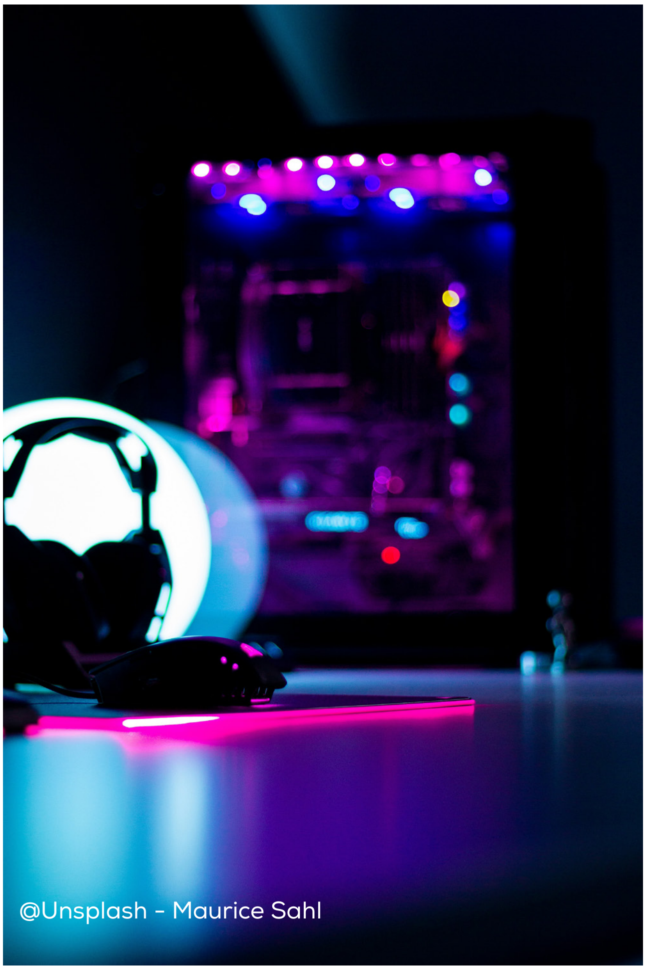
[6] *Definition used by France Esports.*
[7] *Source: France Esports Barometer, France Esports and Médiamétrie, 2023.*
[8] *Source: https://www.economie.gouv.fr/files/actes-BOAC/2023-06/ECOI2310890C.pdf, consulted on 29/01/2024.*
[9] *Source: https://www.legifrance.gouv.fr/jorf/article_jo/JORFARTI000048727440, consulted on 29/01/2024.*
[10] *The year 1997 was the tipping point from which esports developed into its modern form. Source: Besombes, N. (2023). "L'esport, ou la sportivisation du jeu vidéo" in Introduction aux théories des jeux vidéo, Presse Universitaire de Liège.*

The growth of esports and esports sevents has been accompanied by continuous economic development, which has accelerated in recent years. This development has in part been initiated by economic actors, whether they belong to the esports sector (endemic actors) or to other sectors (non-endemic actors). The emergence of major actors, in particular team organisations and event organisers, as well as the growth in investment, led to the creation of the first economic studies on the subject from the 2010s onwards.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However, the economic development of esports remains a relatively unexplored subject in the academic community, making the number of reliable quantitative data on the subject rather small. What's more, the economic studies most regularly cited on a global scale often come from firms with private interests in esports and employ methodologies that are sometimes insufficiently described.[11] Consequently, the results presented by different studies can vary significantly. For example, PricewaterhouseCoopers (PwC) estimated in 2018 that the global esports market would be worth around €1.58 billion in 2022[12], while Goldman Sachs put forward figures almost twice as high the same year, with an estimate of €2.96 billion.[13] In 2022, the Global Esports & Live Streaming Market Report 2022 published by NewZoo estimated the global economic weight of the esports sector at €1.3 billion, an estimate in line with the PwC forecasts.

[11] Brocard, J.F. (2017). "Le développement économique de l'esport" in Les enjeux juridiques de l'esports, PUAM collection.
[12] Source : PwC's Sports Survey, PwC, 2018.
[13] Source : esports - From Wild West to Mainstream, Goldman & Sachs, 2018.

In France, there are a number of important sources for assessing the development of video games and esports on a national scale. The annual study `Video Game Essentials` (*L'essentiel du Jeu Video*) by **SELL** the Leisure Software Publishers' Association (*Syndicat des Editeurs de Logiciels de Loisirs*) quantifies, for example, the population playing video games in France, while the France Esports Barometer, also conducted with Médiamétrie, provides an overview of the potential esports player or consumer base in the country. The France Esports Barometer also focuses on the socio-demographic measurement of esports participation in France.

The economic development of the sector remains a subject that has received relatively little scientific analysis, with only one study to date serving as a reference on the subject in France, namely the PIPAME study published in 2021 and entitled `*Market analysis and outlook for the esports sector*` (*Analyse du marché et perspectives pour le secteur de l'esports*). This study estimated the esports sector in France in 2019 at €50 million in turnover and 650 full-time equivalent (FTE) jobs.[14] Given that the amount of recent economic data available is still relatively low, it would seem imperative to develop a tool capable of measuring the economic weight of esports in France while attempting to understand the underlying trends governing its development and gradual democratisation.

It was against this backdrop of rapid change in the sector and the need for access to reliable economic data that this study was conceived and carried out. The aim of the French Esports Economic Observatory is to collect data that will enable indicators to be produced to quantify the economic weight of the French esports market over one calendar year, starting in 2022. Its main mission will be to provide objective figures that can be compared over time to measure the sector's development year by year. When necessary, the Observatory will be able to propose a qualitative analysis so as to place the quantitative data in the context of broader trends in the sector. This additional analysis has been carried out in this first edition of the Observatory, and the study presented here will therefore be divided into a **quantitative** part aimed at presenting the results obtained concerning the indicators used to measure the economic weight of the esports sector in France, followed by a **qualitative** part which will allow the quantitative results obtained to be re-contextualised while identifying the main dynamics governing the development of the sector. In this sense, the French Esports Economic Observatory can be interpreted as a snapshot of the economic development of the French esports sector, an exercise that will be repeated over time in order to provide comparative figures.

[14] *Source : Analysis of the market and prospects for the esports sector (PIPAME study), CEPHEID, 2021.*

01

Methodology

Methodology

The results for the year 2022 of the French Esports Economic Observatory, which are the subject of this study, are the result of a closely collaborative approach between Paris&Co, which commissioned the study, and CDES, the Centre for Law and the Economy of Sport (*Centre de Droit et d'Economie du Sport*), which provided the data collection, processing and analysis services. The methodology used in the study was proposed by CDES and validated by Paris&Co, under the supervision of the Ministry of Sport, the Olympic and Paralympic Games and SELL, co-financiers of the Observatory.

The data collection process involved the creation of a questionnaire distributed online (quantitative part) and interviews (qualitative part). It should be noted that the data collected as part of this research is subject to the strictest confidentiality and remains completely anonymised. Therefore, no individual data has been disclosed in the course of this survey, nor will it be used to identify any of the participating organisations or structures. The data was collected in accordance with the regulations in force.

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A - Methodological framework

The methodological framework for the study was determined by CDES and Paris&Co, then validated by a steering committee with the Ministry of Sports and SELL. The aim of the framing phase was to precisely define the scope of the study and the various indicators to be analysed. The French Esports Economic Observatory was designed to meet the following two criteria: to propose indicators for measuring the economic weight of the esports sector in France and to ensure the annual collection of data used to construct these indicators in order to provide a comparison over time.

The concept of economic weight will be examined through the prism of two key indicators, measured over a calendar year:

- **The aggregated turnover** generated by an economic activity in the esports sector in France.
- **The number of full-time equivalent jobs (FTEs)** generated by the esports sector in France.

The aim of the Observatory is to obtain indicators measured at the level of the esports sector in France, over one calendar year. As part of this objective of a comprehensive approach, efforts have been made to solicit as large a sample as possible, based in particular on a census of structures in the sector by the study partners (Paris&Co, SELL, Ministry of Sports, CDES). A statistical adjustment was then made, based on an estimate of the representativeness of the sample obtained, to obtain an estimate of the indicators at sector level. These adjustments were based on the work and expertise of Paris&Co, a specialist agency with particularly legitimate economic knowledge of the French esports sector, which was responsible for estimating the representativeness rate of the sample.

• Field of study

The study was deployed among a population made up of "actors with an economic activity linked to esports and generating revenue in France". For the sake of completeness, the population sample is not made up solely of organisations whose entire turnover is generated by esports: generating a turnover greater than €0 in the esports sector in France is termed a sufficient condition to be considered as belonging to the sector's economic environment. As far as employment is concerned, it was decided to focus specifically on jobs dedicated to esports, i.e. "jobs where more than 50% of the working week is dedicated to esports". It should also be noted that only jobs subject to tax in France have been taken into account.[15]

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[15] For example, a French structure with 150 employees dedicated to esports, 50 of whom are based abroad, would represent 100 jobs for the purposes of this study

• Typology of actors studied

The typology of actors chosen for this study is relatively similar to that of the PIPAME study. The quantitative analysis will focus on the following organisations: team organisations, content producers/distributors, service providers/agencies, tournament organisers, multi-link actors. The typology of actors studied is defined as follows:

- **Team organisations:** structures in which professional players take part in competitions as part of the same team. Team organisations may sign up designated players for different games. The relationship between players and teams is contractual, generally via service provision contracts or employment contracts.
- **Content producers/distributors:** legal entities producing and/or broadcasting esports-related entertainment content.
- **Tournament organisers**: organisers of competitive gaming events.
- **Service providers/agencies:** companies with an activity related to the esports sector and generally ancillary to competitive practice. This may include consultancies, events companies, start-ups, communications or marketing agencies or players' agencies.
- **Multi-link actors:** actors whose activities are included in several links in the value chain.

It should be remembered that, for reasons of confidentiality, the individual data of each respondent will not be divulged and that the results presented are intended to establish general trends applicable to the sector as a whole.

It was decided to deal specifically with two types of actor: video game publishers and local authorities. For the former, a qualitative analysis appeared to be more relevant insofar as isolating the revenue generated in France is a task that has proved arduous for publishers, as is the classification of elements that should be considered as esports-related revenue (e.g. in-game purchases[16]). Similarly, it is almost impossible to accurately quantify the amounts invested specifically in France by publishers, as the development of esports is generally part of international strategies. The lack of geographical segmentation of revenues and investments therefore limits the scope for specific economic analysis of the French market as far as publishers are concerned.

As revenue segmentation is virtually impossible, the decision was made to exclude publishers from the quantitative analysis and instead to organise qualitative interviews. The aim of these interviews was to highlight the different ways in which publishers support the development of esports in France, rather than to put forward figures that appear less relevant and less robust than those for other types of actor. As far as local and regional authorities are concerned, we have also chosen to deal with them in a qualitative context, as they are not intended to develop activities that generate esports turnover. What's more, public-sector employment in esports is still in its infancy, and very few local authorities have dedicated FTEs.

It should be pointed out that the estimates provided for the forecast indicators measuring the economic weight of esports in France may be considered conservative. In addition to the difficulties mentioned with regard to publishers and local authorities, which led us to exclude them from the quantitative analysis, other economic data linked to the world of esports are, as things stand, inaccessible: for example, the monetisation of the audience of streaming platforms (Twitch, YouTube), sales of skins from professional in-game teams or the secondary markets formed by platforms for reselling games from one individual to another. While these activities generate economic flows directly linked to the esports sector, it is impossible to estimate their real value accurately at present. Thus, while the results presented in the following text represent a reliable and realistic estimate of the economic weight of French companies in the esports sector, the total economic weight of the sector is probably higher.

[16] *In-game purchases are microtransactions carried out directly in-game, such as the purchase of skins or downloadable content.*

• Choice of variables studied

The aim of the French Esports Economic Observatory is to collect a sufficient quantity of data to be able to announce credible results assessing the economic weight of the esports market in France, particularly in terms of turnover and jobs generated, it has been decided to use a relatively short questionnaire to collect data on a limited number of key indicators, to achieve this objective. The economic weight of the sector will mainly be measured by aggregating the turnover of companies with an economic activity in esports. In addition to this key indicator, other economic data will be studied, such as the growth rate of the sector's turnover or the total amount of funds raised. The number of jobs directly generated by the French esports sector will constitute the second key indicator and will be expressed in full-time equivalents. Other employment data will also be presented, such as the percentage of women in the industry.

The indicators studied were selected on the basis of three criteria:

- **The indicator must be objective.** Therefore, no question posed should allow for a prescriptive judgement or subjective response.[17]

- **The indicator must be comparable over time and/or space.** The aim is to collect data that can be used to establish a basis for comparison in order to measure changes in the sector year by year.

- **The indicator must not be reprocessed in any way, either for the interviewer or for the respondent.** The information must be easily accessible to the respondent and must not be modified by the interviewer.

Following this methodological arbitration phase, CDES designed the questionnaire used to collect the quantitative data.

[17] *As such, questions in the format "do you think that" have been excluded from the questionnaire.*

B - Quantitative data collection

The quantitative data was collected by CDES, after validation of the model questionnaire proposed by the steering committee. Comprised of 27 questions (excluding supplementary questions), the questionnaire is divided into the following sections:

- **Organisation identification:** this section allows us to identify the type of organisation responding to the survey, as well as obtaining general information such as the year it was set up, the main region of activity and its legal status.

- **Activity:** section focusing on turnover measurement. The structures concerned were also asked questions relating to fundraising.

- **Employment:** this section focuses on estimating the number of jobs. Additional questions were asked in order to study, for example, the percentage of women in the workforce or recruitment difficulties.

- **Additional questions:** additional questions were asked of certain types of actors depending on their response to the question relating to their identification. For example, team organisations were asked a question relating to the number of players under contract in 2022, while tournament organisers were asked to specify the number of competitions organised in 2022.

The questionnaire was then deployed online over a period of around six months (from the beginning of May 2023 to the beginning of November 2023) and sent to around 130 contacts, corresponding to an exhaustive list of French esports actors identified by the study partners. In order to capture entities that were not initially included in the mailing list, a reference form was also published on the Paris&Co website, which was made freely accessible, allowing anyone working in esports to identify themselves and subsequently receive the questionnaire. In addition, where difficulties were encountered in completing the questionnaire, telephone interviews or videoconferences were sometimes organised so that CDES` team could complete it by hand for the people or organisation concerned, thus enabling them to be able to contribute to the study.

@Unsplash - Florian Olivo

C - Collection of qualitative data

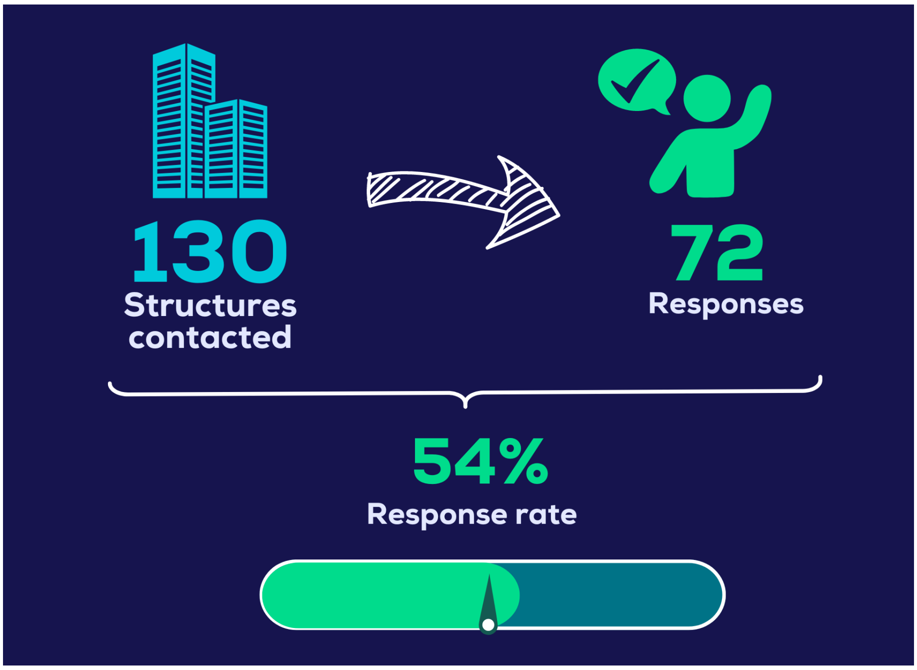
The data collected via the questionnaire was accompanied by a phase of qualitative interviews conducted over a period of approximately three months (from the end of July 2023 to mid-November 2023) with video game publishers, local authorities and experts in the sector. In all, fourteen interviews were jointly conducted by both the Paris&Co and CDES teams, with at least one representative of each company present. The average duration of the interviews was 45 minutes. A "semi-directive" format was applied. This involved drawing up interview guides in French and English[18] for each type of stakeholder in order to guide the discussions. Stakeholders were questioned on three main themes: their perception of recent economic developments in esports in France, the support measures put in place by their organisation to encourage the development of esports, and their vision of the sector's development in the short and medium term.

@Unsplash - Sean Do

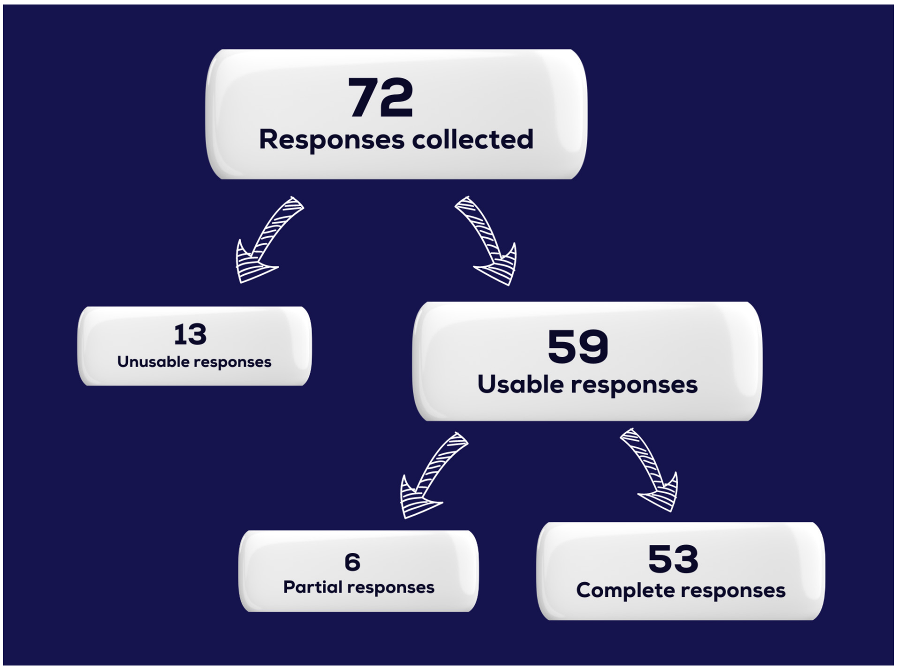
[18] *An interview with one of the video game publishers was conducted in English, although the discussions focused on the publisher's business in France.*

D - Presentation of the study sample

At the end of the quantitative data collection phase, 72 organisations responded to the questionnaire out of the 130 contacted. The response rate was 54%.

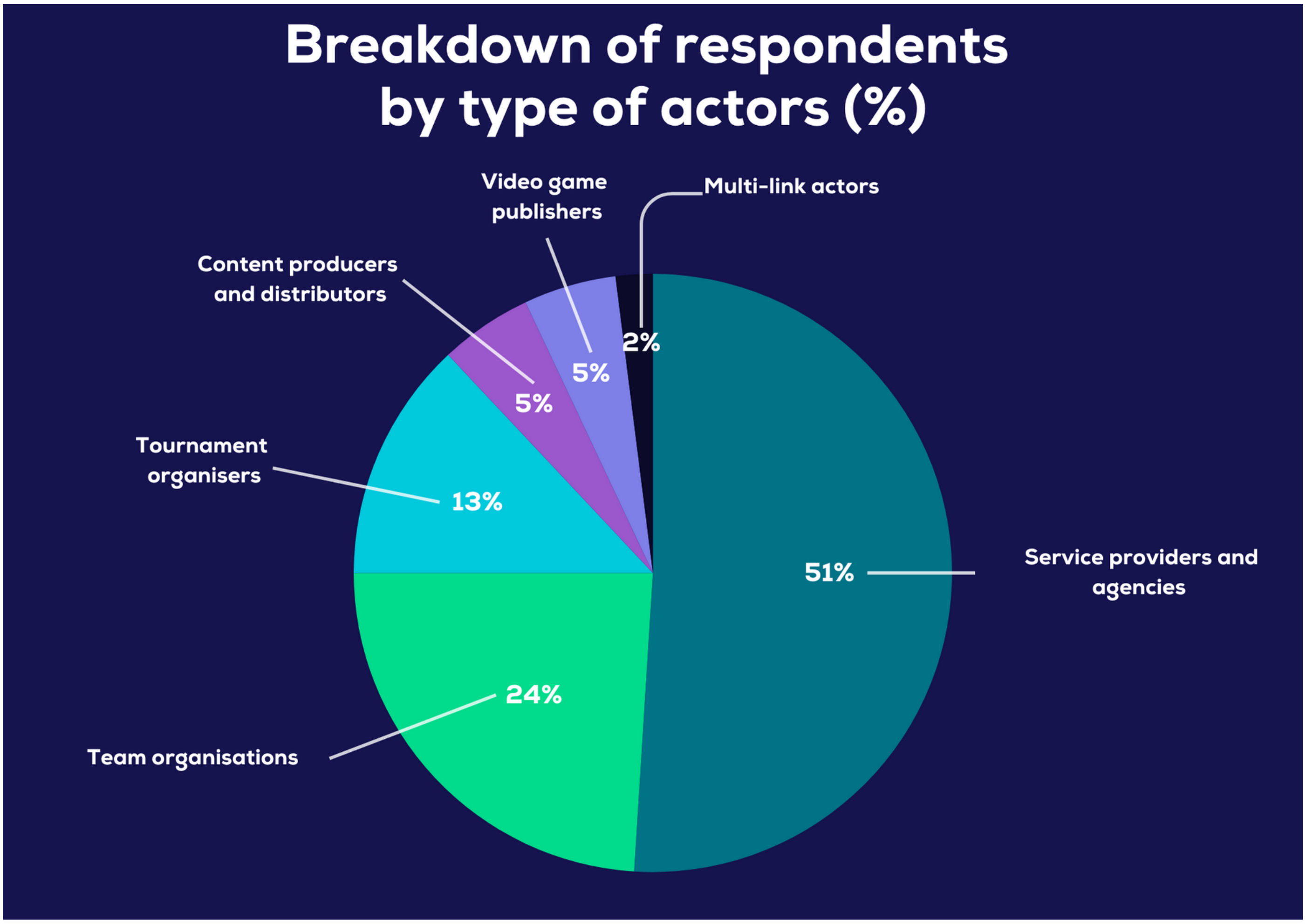


Of the 72 actors who completed the questionnaire, 13 did not answer the questions concerning the collection of economic data and were excluded from the sample. The remaining 59 responses were deemed usable and 53 of them were complete.[19]

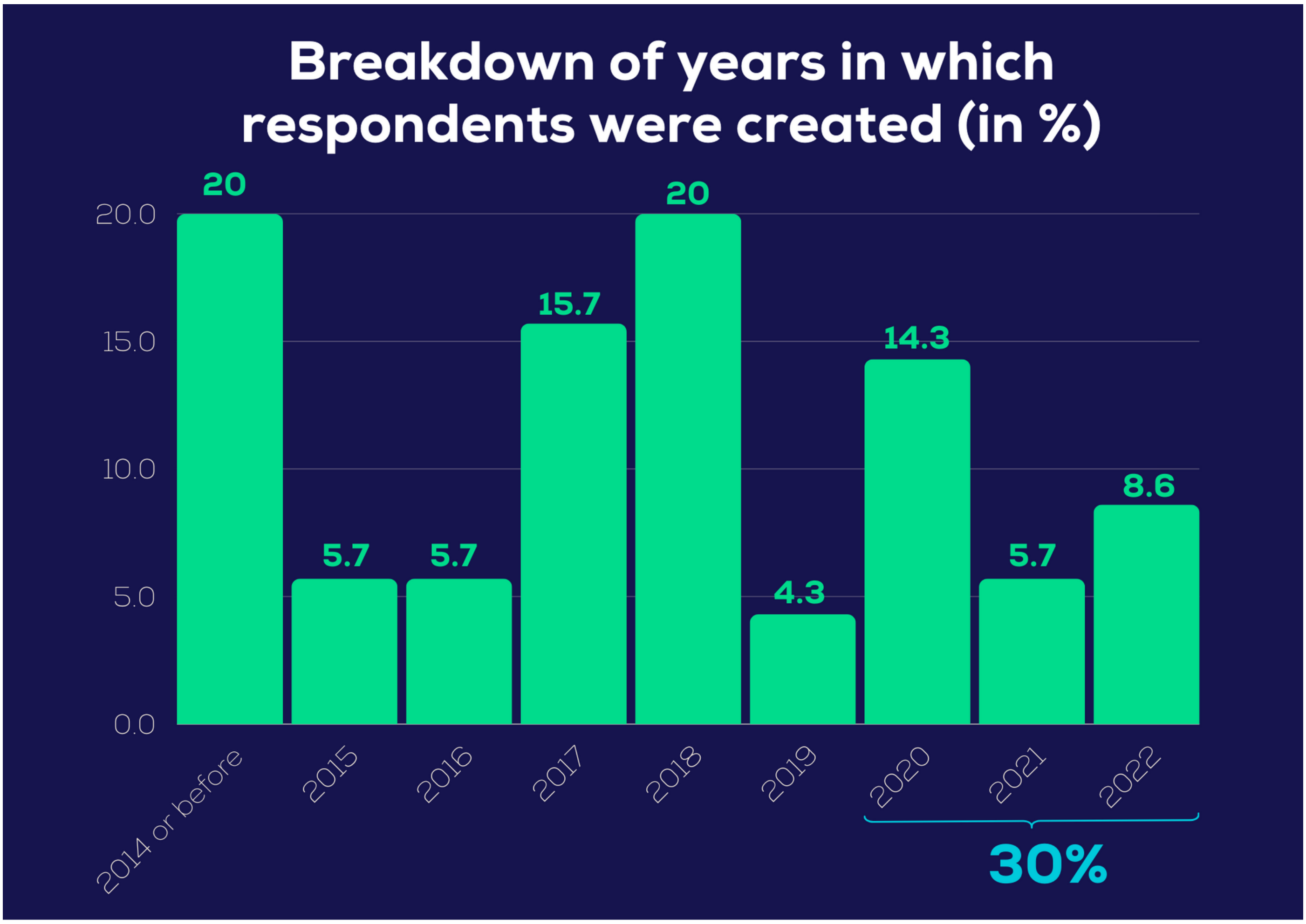


[19] *Organisations that did not respond to the questionnaire were contacted several times.*

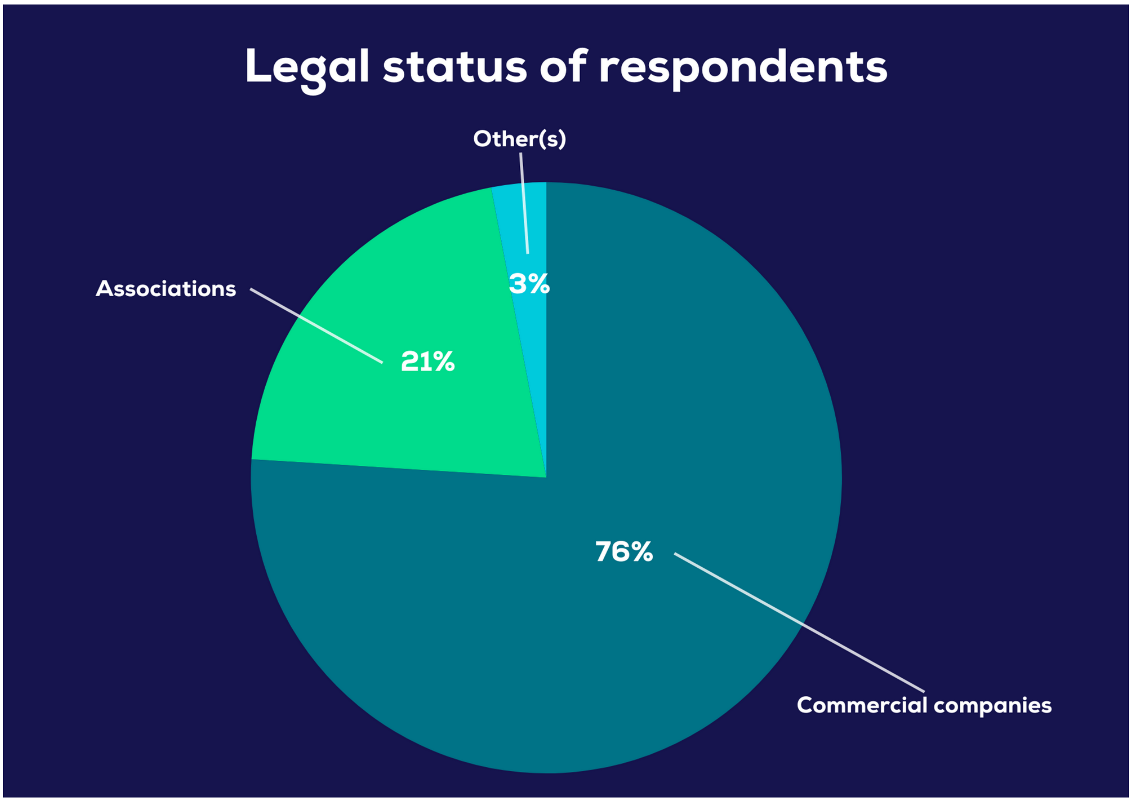
The breakdown of the 59 usable responses by type of respondent is as follows: 51% are agencies or service providers, 24% are team organisations, 13% are tournament organisers, 5% are content producers and distributors, 5% are publishers (excluded from the quantitative analysis) and 2% are multi-link actors.



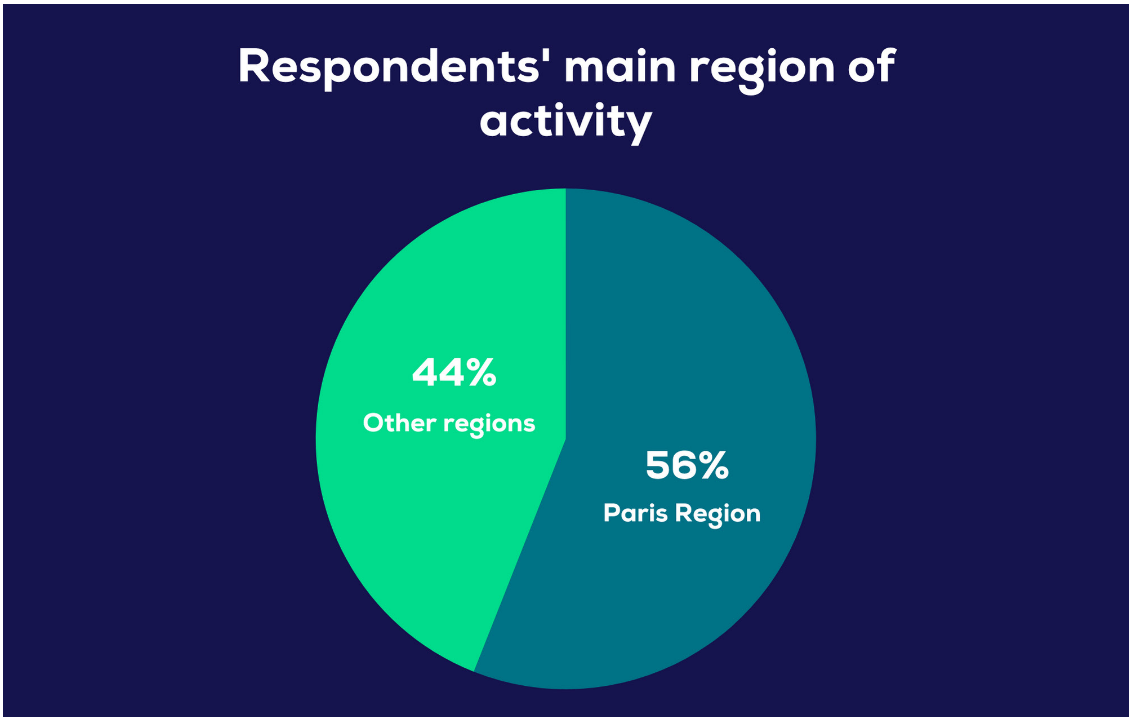
Around 30% of the structures responding were created from 2020 onwards (inclusive).



The vast majority of the sample is made up of commercial companies, while associations account for around 20% of respondents.



Finally, more than half the respondents said that their main region of activity was the Paris Region (56%). The other regions each account for around 5% of responses.



02

Presentation of the results of the quantitative analysis

Presentation of the results of the quantitative analysis

A - Economic activity in esports

The quantitative data collected has enabled the construction of aggregated and average indicators to study the sector's turnover and its development over the period 2019-2022. Additional analyses will also be provided on the year of creation, legal form and fundraising.

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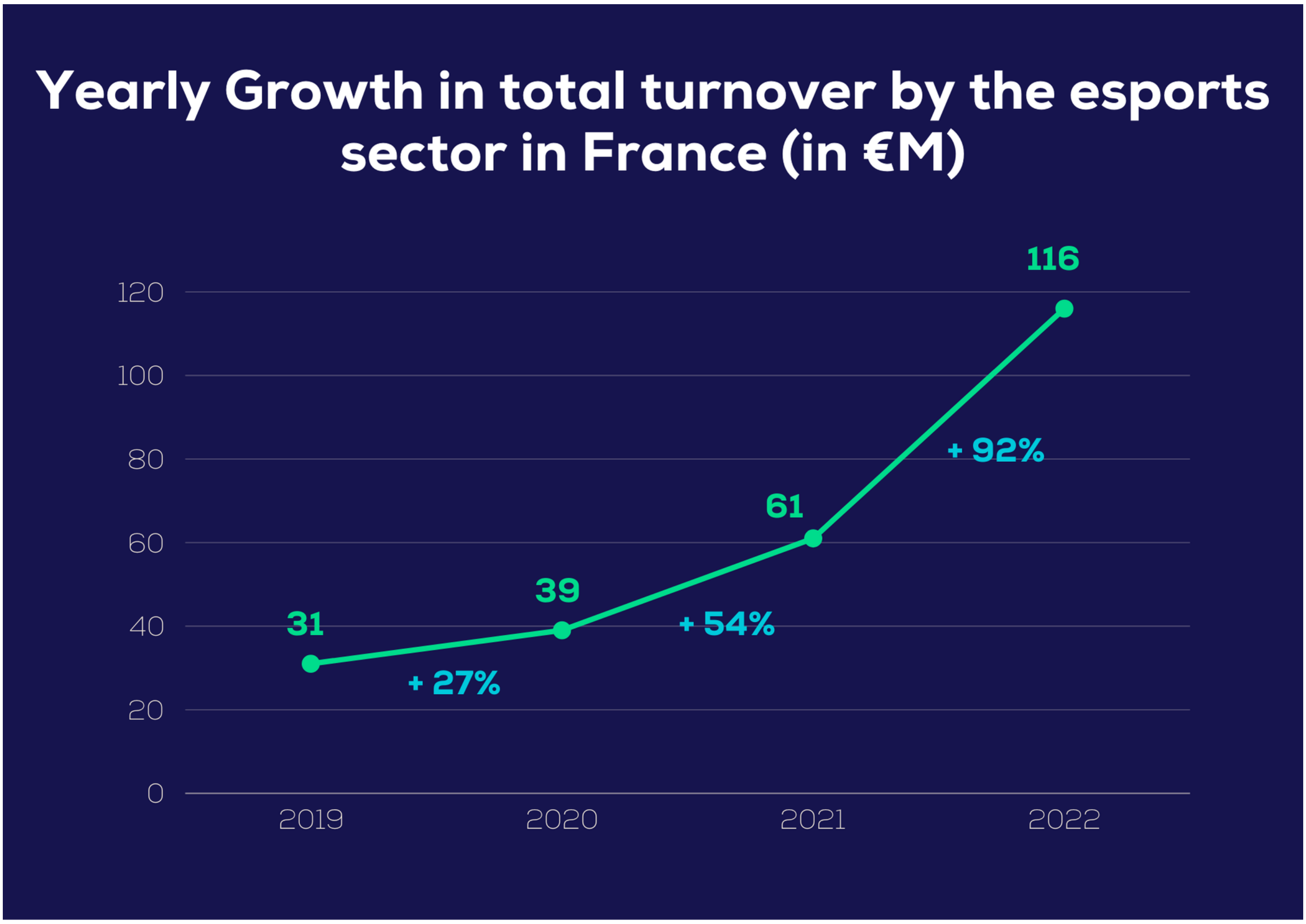
• Sector turnover in 2022

In 2022, the cumulative turnover collected in the sample will amount to **116 million euros**. Growth in the sector's turnover is continuous over the period observed, and even seems to accelerate over time. Indeed, the most marked change occurs between 2021 and 2022, when the sector's economic weight is estimated to have almost doubled in the space of a year. Over the period 2019-2022, the sector's overall turnover grew by **an average of 55% per year**.



The overall representativeness rate of the sample was then obtained by estimating the representativeness rates within each type of actor. For example, according to experts, the representativeness rate of the sample collected is estimated at 75% for the turnover of content producers and distributors in the esports sector in France in 2022, a figure estimated at 85% for agencies and service providers in the sector. At the end of this process, **the overall representativeness rate** in terms of turnover reached **82%**, a figure higher than the representativeness rate in terms of the number of actors responding (54%). This difference is explained in particular by the considerable size of the companies at the forefront of the sector, combined with the relatively small number of actors involved. (Similar to an inverted pyramid.) The rate of economic representativeness is therefore very high, because the players with the greatest economic weight responded almost in full to the questionnaire deployed as part of the quantitative phase of the study. For the sake of methodological consistency, it was decided to adjust the employment figures in the same way as for the sector's turnover. The representativeness rate of the sample collected was therefore also set at 82% for the number of FTEs reported.[20]

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[20] *Calculations were made to assess the correlation between turnover and employment levels among the respondents. The results show a strong correlation (estimated correlation rate between 0.7 and 0.8), which led us to decide to use the representativeness rate of the sample in terms of turnover (estimated by Paris&Co) to adjust the results for employment.*

After adjustment, the economic weight of the esports sector in France is estimated at **€141.4 million** for 2022. In comparison with the figures from the PIPAME study, which estimated the economic weight of the sector at €50 million in 2019, we can therefore estimate that the economic weight of the esports sector in France has almost tripled between 2019 and 2022, in terms of turnover.

In 2019

€50 million — **Total turnover (PIPAME study)**

In 2022

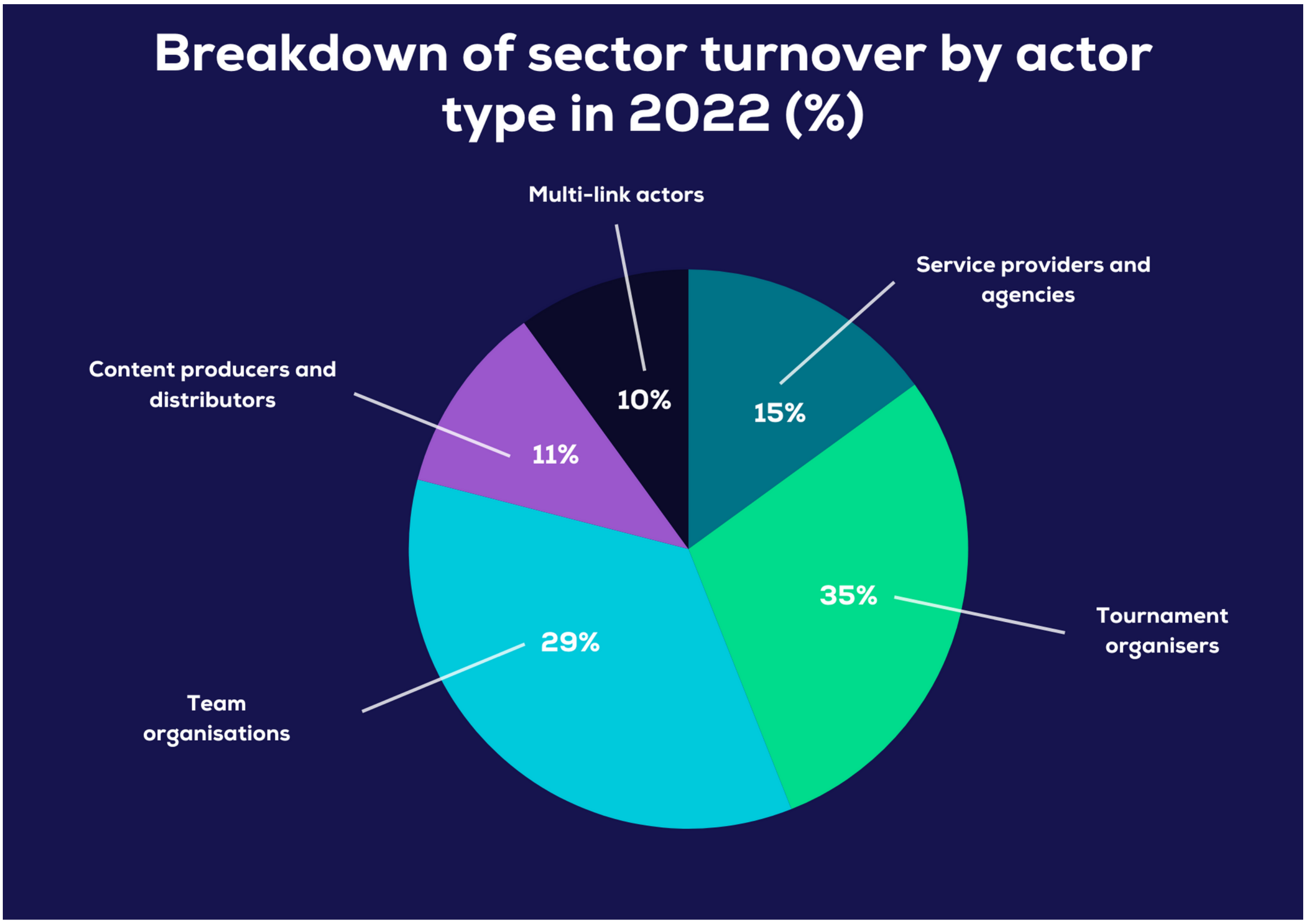
€116 million
Aggregate collected figure

€141 million
Adjusted total turnover

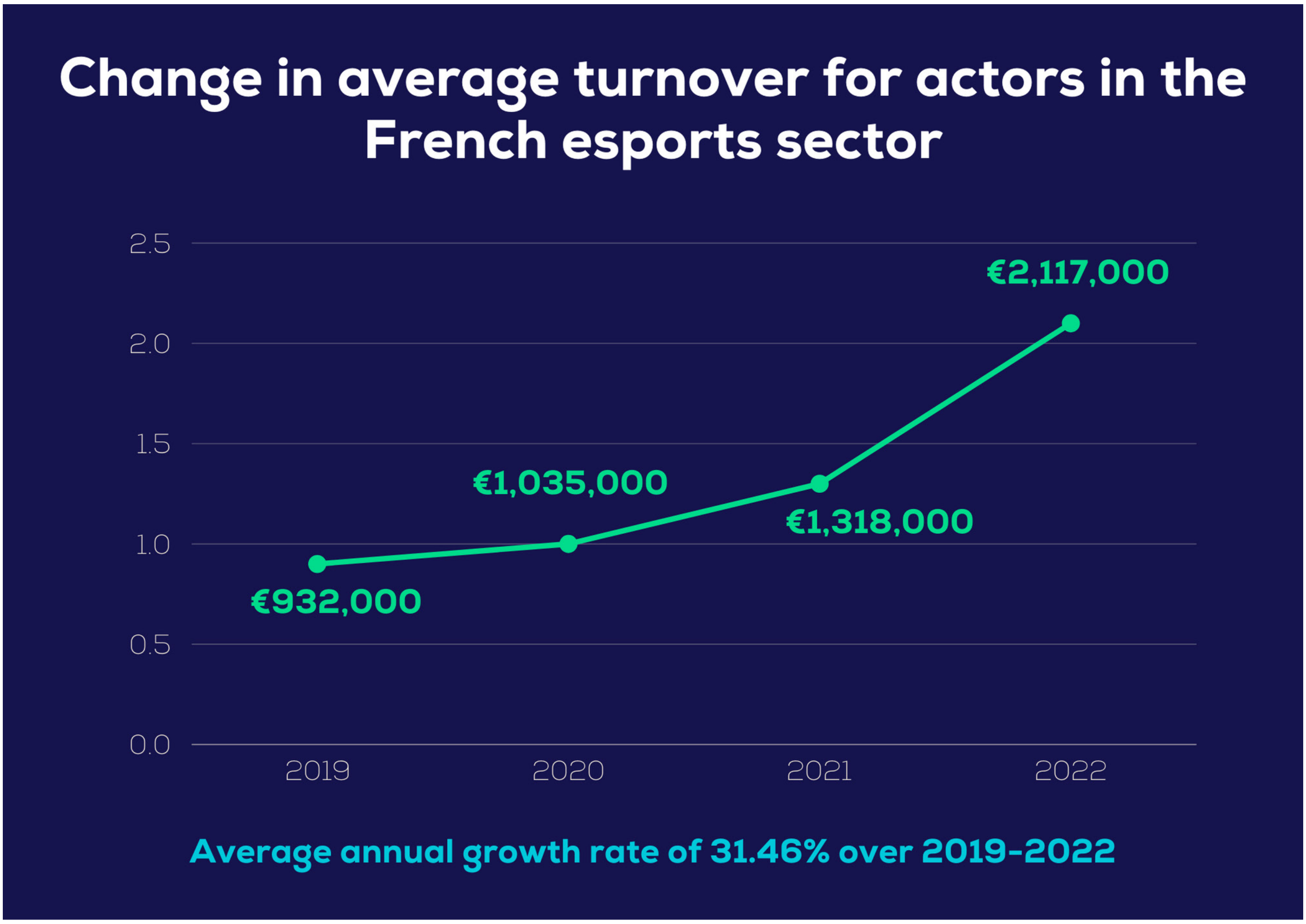
or

+182% — **Rate of change in turnover between 2019 and 2022**

Each type of actor`s share of the sector's overall turnover was then estimated. Tournament organisers account for around 35% of the sector's total turnover, which is a large over-representation given that they made up only 13% of the respondents to the questionnaire. The trend is similar for team organisations (29% of total turnover), content producers and broadcasters (11%) and multi-link actors (10%). On the other hand, service providers and agencies account for only 15% of the sector's turnover, although they represent 51% of respondents.

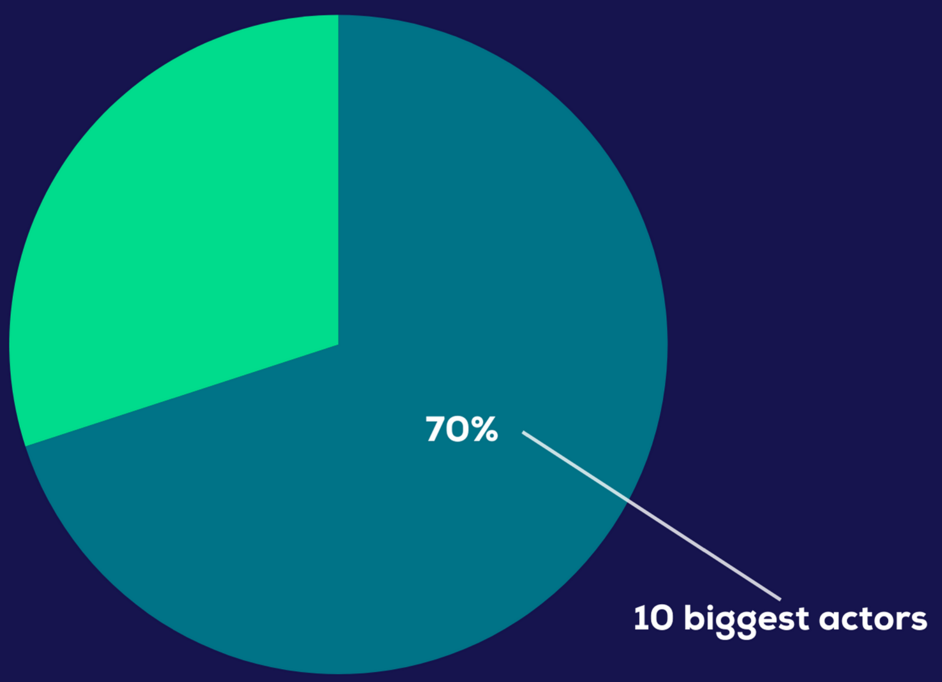


The average turnover of actors in the sector is **€2.1 million in 2022**, more than twice as high than in 2019 (€932,000). The **average annual growth rate** for this indicator is estimated at **31.4%**, once again confirming the sector's sustained growth over the 2019-2022 period and testifying to the emergence of powerful actors over the same period. As with the sector's turnover, the strongest increase in average turnover can seen over the 2021-2022 period.



What's more, certain economic indicators point to a marked heterogeneity within the sector. For example, while the average turnover is €2.1 million in 2022, **the median turnover is only €150,000**. This means that half the actors in the sample will have had a turnover of less than €150,000 in 2022. The wide gap between the average and median turnover figures highlights the sector's high level of concentration. In fact, the ten actors with the highest turnovers alone account for 70% of the sector's total collected turnover, while the three biggest actors` turnovers weigh more than all the other actors in the study combined.

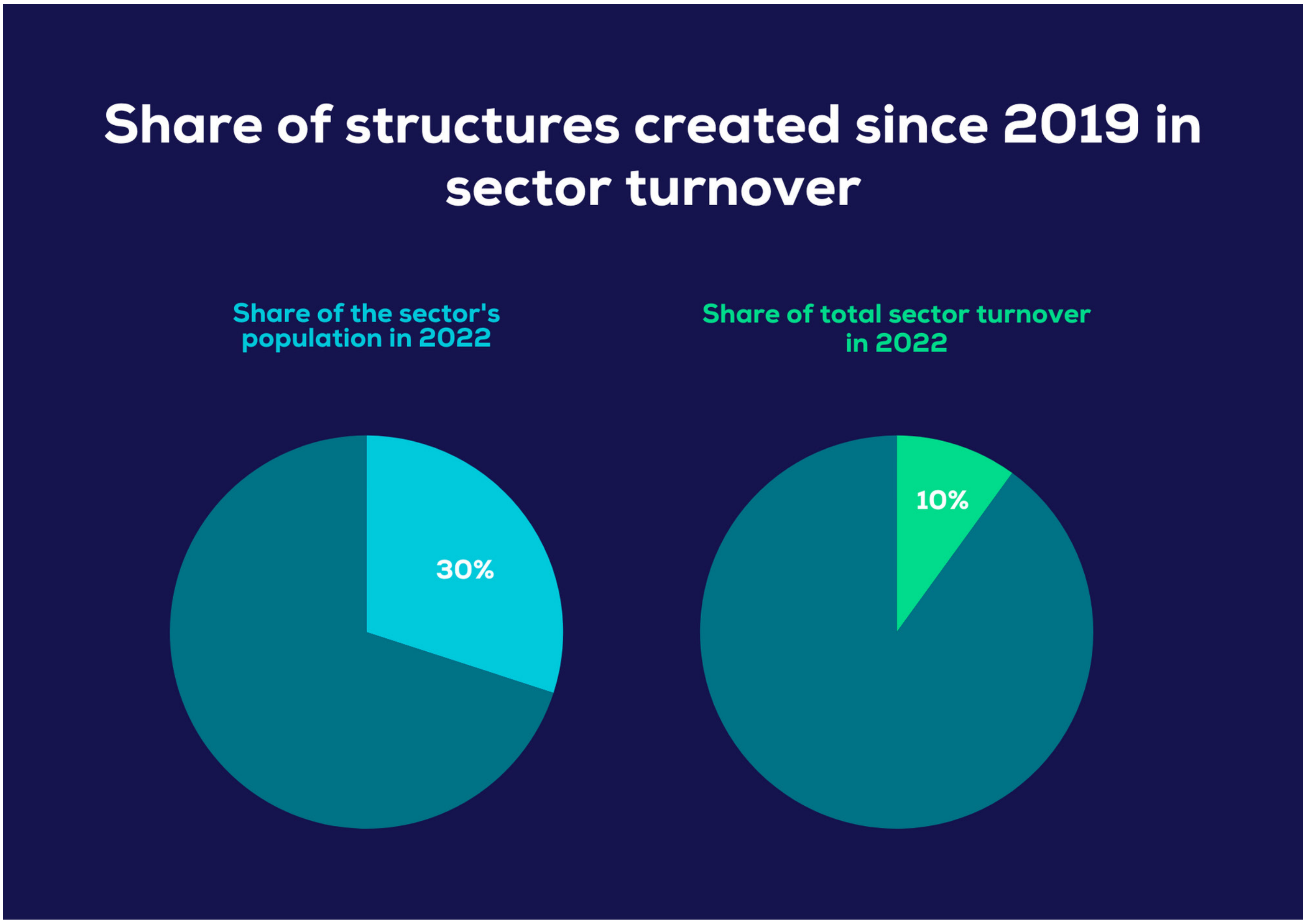
Concentration of total turnover in the esports sector in 2022



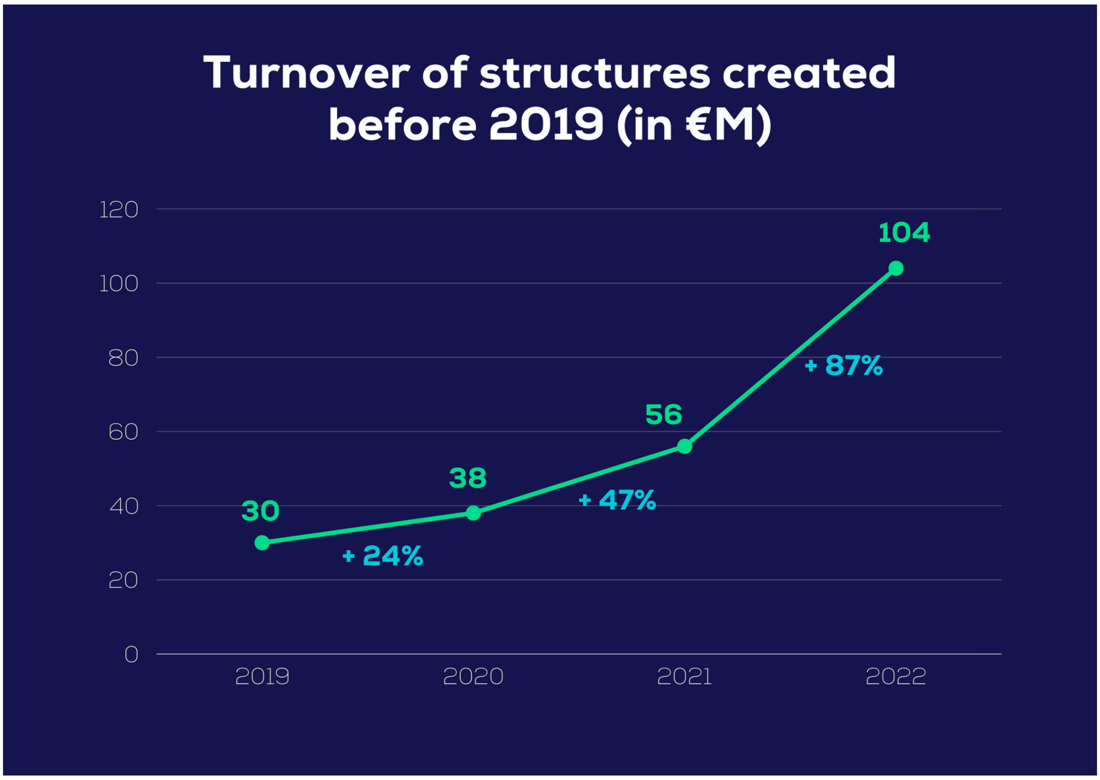
• Additional analyses

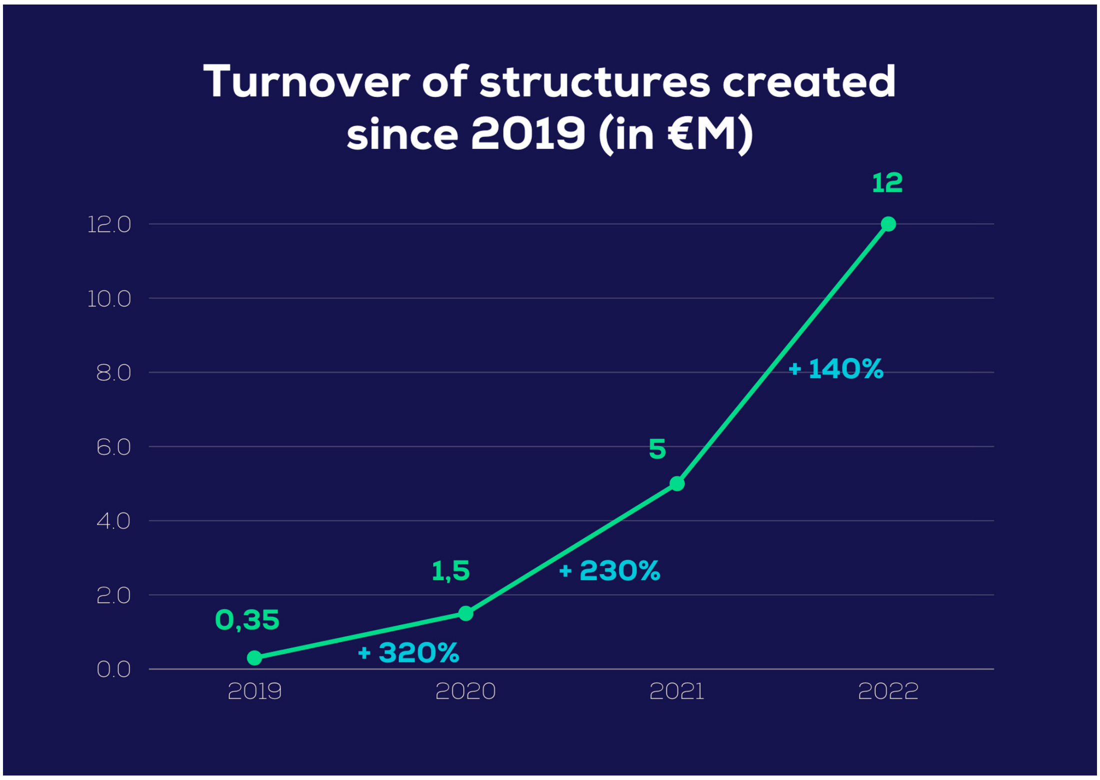
Analyses by legal status (commercial company, association or other) highlight significant economic disparities, although expected, between associations and commercial companies. Unsurprisingly, commercial companies have higher revenues, with an average turnover of around €2.7 million in 2022. Associations generate lower revenues, with an estimated average turnover of around €75,000. What's more, a comparison of turnover growth rates further highlights the difficulties faced by the non-profit sector. Associations are the only actors in the sector whose turnover growth rate is negative at least once over the period studied. The average turnover growth rate for the associations studied is estimated at -8% between 2019 and 2020 and -16% between 2020 and 2021. While the effects of the pandemic may partly explain these results, it should be noted that the economic rebound observed in 2021-2022 is less marked for associations (+40% average turnover) than for commercial companies (+60%).

An analysis based on the year in which the structures were created was also carried out. Here, it was decided to compare companies created before and after 2019, the year considered to be the last point of reference before the COVID-19 health crisis. Structures created since 2019 account for 30% of the sector's population, indicating a certain dynamism in the sector. On the other hand, they account for only 10% of the turnover of the sample collected (€12 million out of €116 million for all structures).

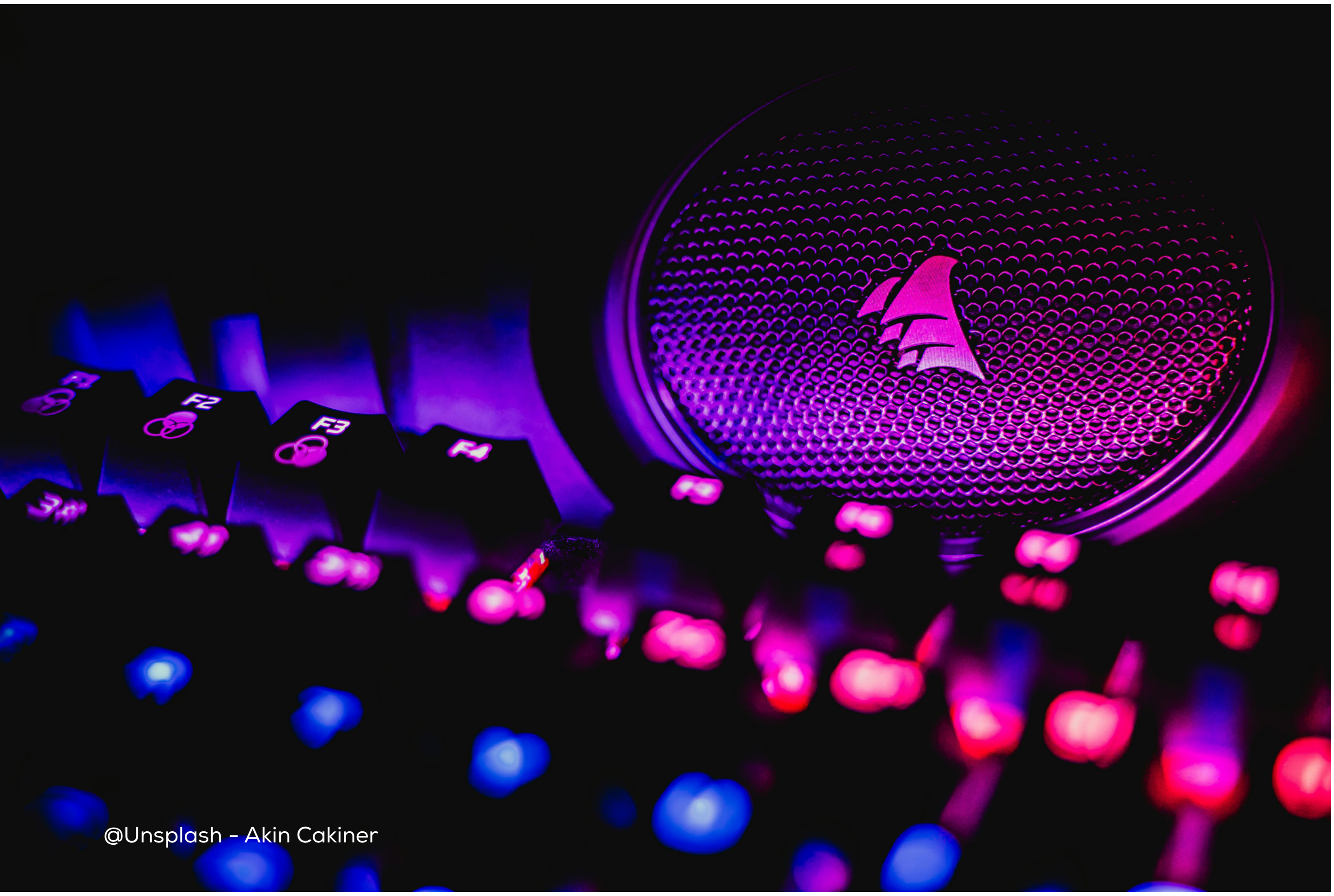


Companies set up since 2019 are particularly dynamic, with relatively high growth rates. Moreover, the current trend seems to show a narrowing of the gap between young structures and the "older" ones. Structures created since 2019 accounted for just 1% of the sector's total turnover in 2019, compared with 10% in 2022.





Finally, we analysed the funds raised between 2019 and 2022. Based on the sample collected, the total amount of funds raised by actors in the sector over the period 2019-2021 is estimated at €55.6 million, representing an average of €18.5 million each year. The figures appear to be of a similar order of magnitude in 2022, with around €22.9 million in reported funds raised. These figures are slightly down on the €29 million raised in 2019 according to the PIPAME study. On the other hand, there has been a slight increase in the number of actors raising funds, with 12 actors involved over the period 2019-2021, compared with 8 for 2022 alone. We also note a change in the typology of actors raising funds. Whereas in 2019-2020 it was mainly team organisations wishing to accelerate their growth or join closed leagues, in 2022 the spectrum of actors involved has widened.



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B - Employment in esports

The second part of the quantitative study aims to determine the weight of the esports sector in terms of employment in France in 2022. As well as the number of FTEs generated in France, additional data on employment will be provided, such as the percentage of women in the sector and the main recruitment difficulties encountered.

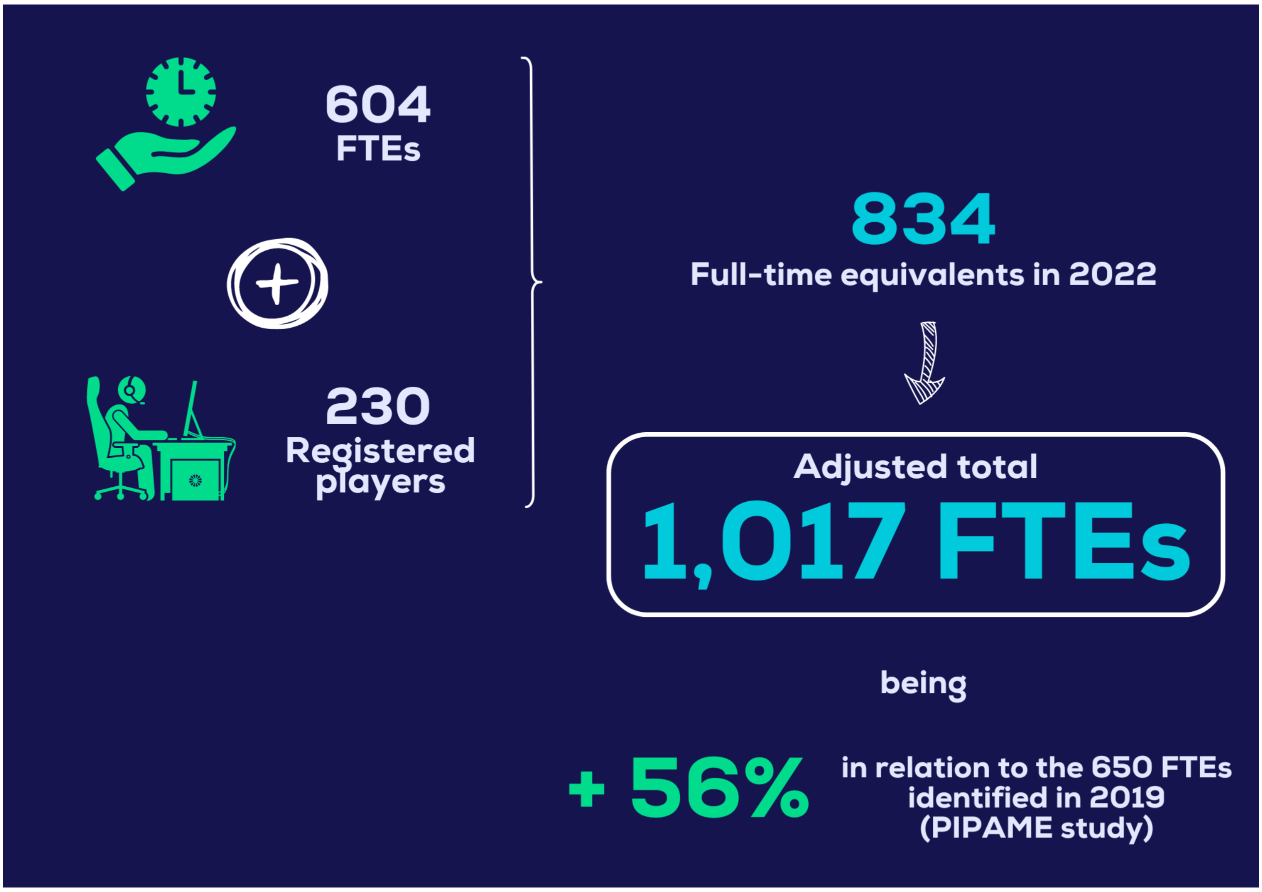
• Number of full-time equivalents (FTEs) in the sector in 2022

The sample collected as part of the quantitative analysis represented a total of **834 full-time equivalent jobs**. These 834 jobs were obtained in the following way: the organisations surveyed first provided a total of 856 esports jobs.[21] These jobs were then converted into full-time equivalents, which made it possible to identify 604.2 FTEs within the various respondent organisations. To this should be added the total of 230 professional players identified by the responding team organisations.[22]

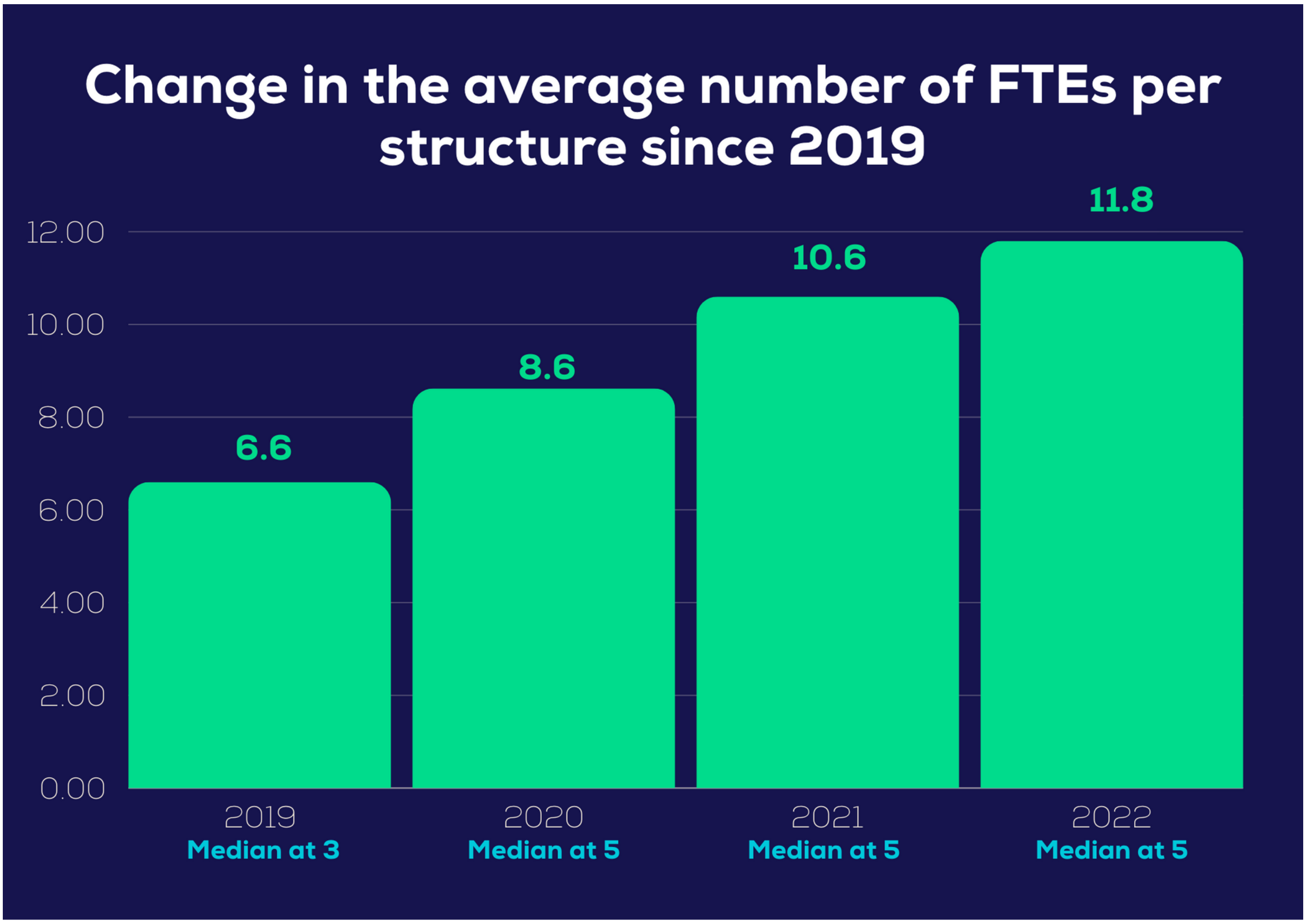
@Unsplash - Christian Wiedige

[21] Reminder: an esports job is defined as a job where more than 50% of the working week is dedicated to esports-related tasks.
[22] The team organisations responding were asked the following question: "How many players have you signed up to compete in 2022? The sum of the answers to this question gives the figure of 230 professional players in our sample.

Adding together the number of FTEs (604.2) and the number of players (230) gives a total of 834.2 FTEs. Adjustment calculations were then carried out to estimate the number of jobs generated by the sector, using the representativeness rate of 82%. These calculations make it possible to estimate the **overall number of FTEs for the sector at 1,017 in 2022**. This represents a significant increase on the 650 FTEs recorded in 2019 as part of the PIPAME study, with a **56%** increase over the period.



The results then show a gradual increase in the average number of FTEs per structure over the period 2019-2022. The **average number of FTEs reaches 11.8 in 2022**, compared with 6.6 in 2019, an increase of more than 75% in four years. It should also be noted that the increase in the average number of FTEs is virtually constant over the period, rising by an average of 2 per year, with the exception of 2022 (+1.2 average FTE compared with 2021).

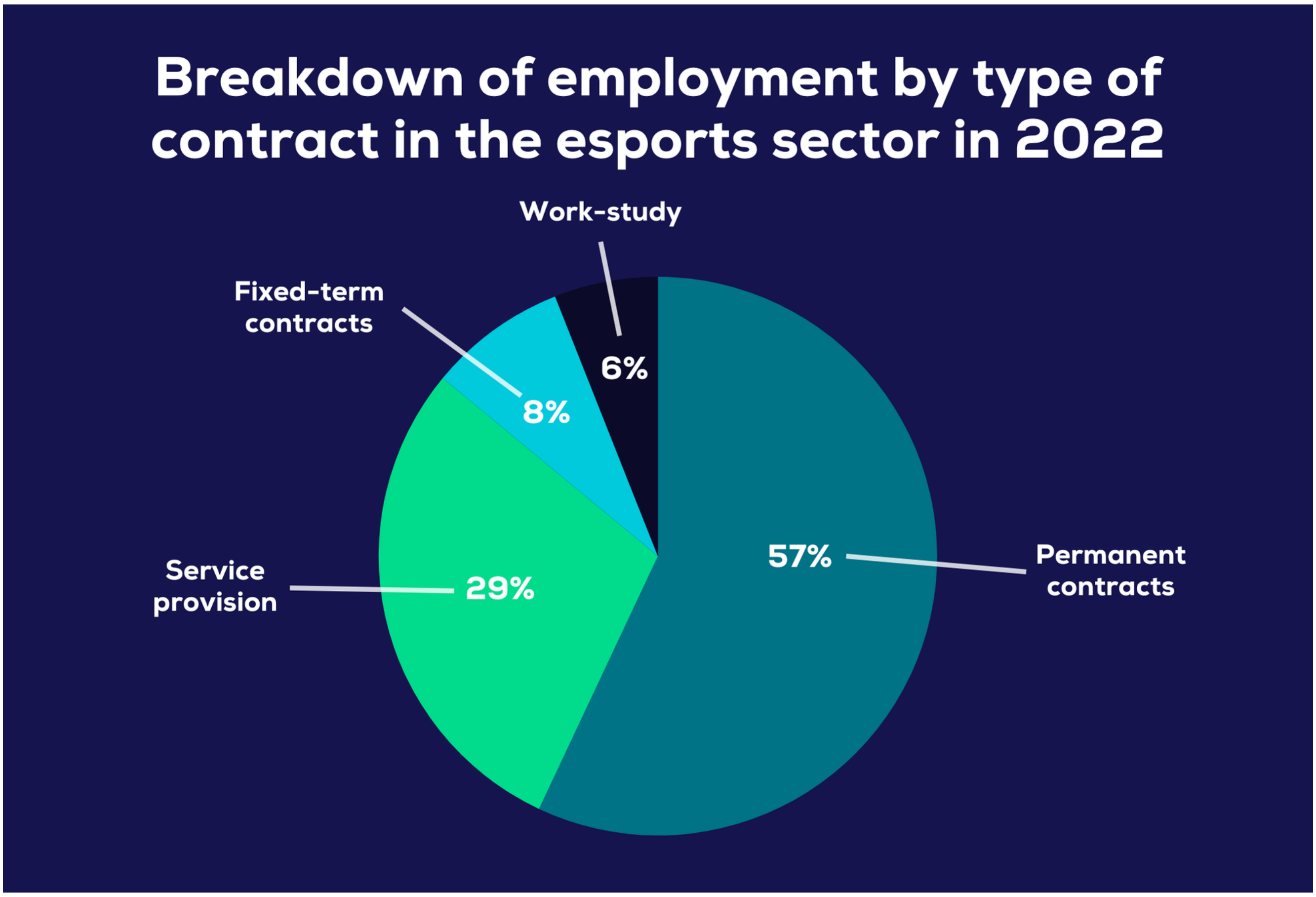


However, it seems risky to suggest that the size of all structures in the sector has increased at such a uniform rate. In fact, the median number of FTEs remains much more stable over the period, rising from 3 in 2019 to 5 over the period 2020-2022. This means that more than half of the structures in the sector have remained below 5 FTEs since 2020 and indicates that the sector is therefore characterised by an overwhelming majority of micro businesses.[23]

[23] *According to INSEE, a micro business is a business employing fewer than 10 people, with annual sales or a total turnover not exceeding €2 million..*

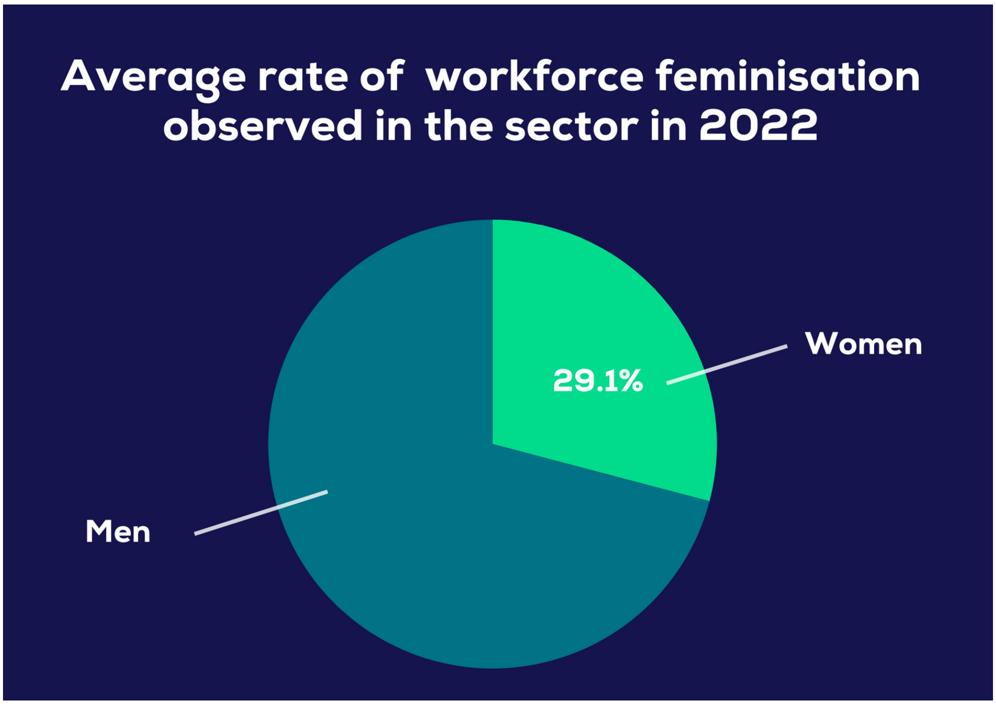
• Additional analyses

In addition to the number of jobs, their legal nature was also studied as part of the online questionnaire. Respondents were asked to give details of the contractual relationships between them and their employees. Four options were offered: permanent contracts, fixed-term contracts, sandwich courses and service provision contracts. The breakdown of employment obtained with the sample collected is as follows for 2022: 57% of the jobs declared were permanent, 29% of the contracts were for the provision of services, 8% were for fixed-term contracts, while sandwich courses (work-study) accounted for 6% of the total. These figures can be compared with national data published by INSEE. According to INSEE, around 73% of people in employment in France in 2022 will be in a permanent employment relationship, 13% will be self-employed, 10% will be on fixed-term or temporary contracts and 3% will be on sandwich courses or internships.[24] All things considered, it would appear that the sample collected highlights an under-representation of permanent contracts within the esports sector, some of which are replaced by a large proportion of self-employed people working as service providers. The proportion of work-study students is also twice as high as at national level.

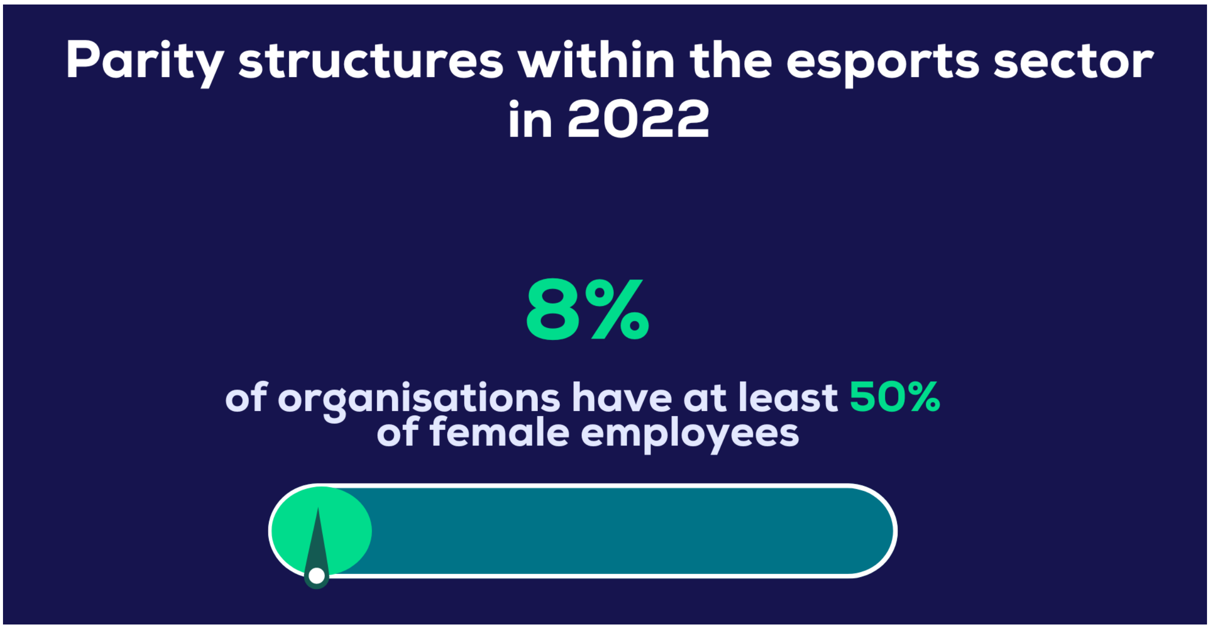


[24] *Source : Insee Références - Emploi, chômage, revenus du travail, (Employment, Unemployment, Salary), Insee, 2023.*

The proportion of women in the structures in the samples studied was 29.1%. The proportion of women ranged from 0 to 70%, depending on the organisation. It should be noted that women represent at least 50% of employees in 8% of the responding organisations. It seems possible to approach these figures in two ways.



On the one hand, the rate of feminisation of the sector seems to be well below the national average, estimated at around 50% in 2020 by INSEE.[25] On the other hand, given the low rate of feminisation of the competitive esports sector in France, estimated at just 7%[26], the fact that the overall rate of feminisation in the esports sector is four times higher is relatively encouraging.



[25] *Source : Insee Références - Femmes et Hommes, légalité en question, Insee, 2022.*
[26] *Source : France Esports Barometer, France Esports and Médiamétrie, 2023.*

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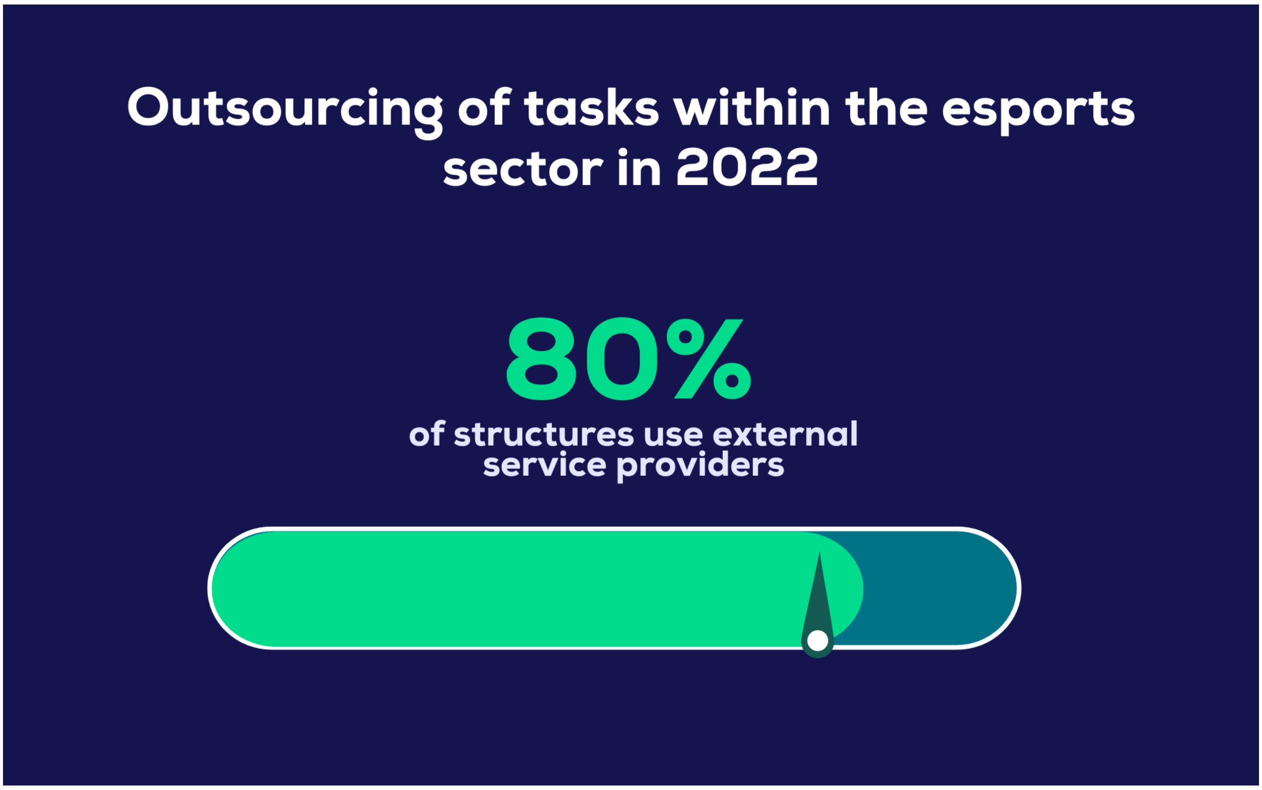
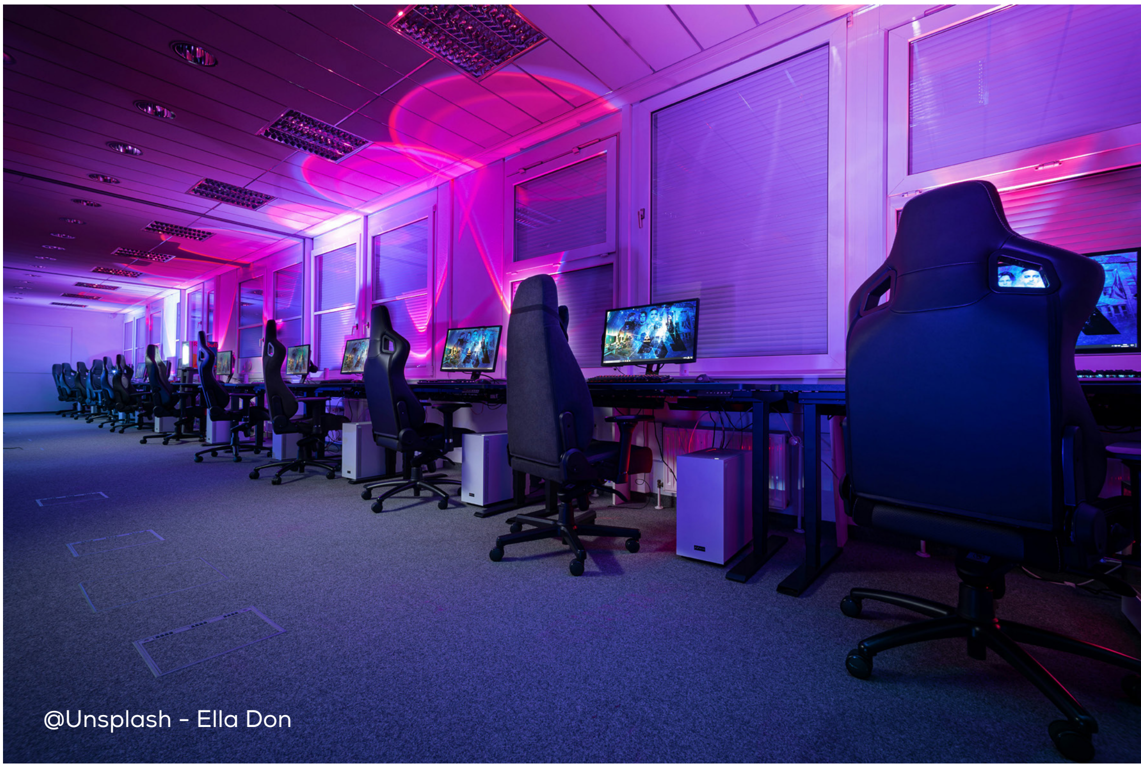
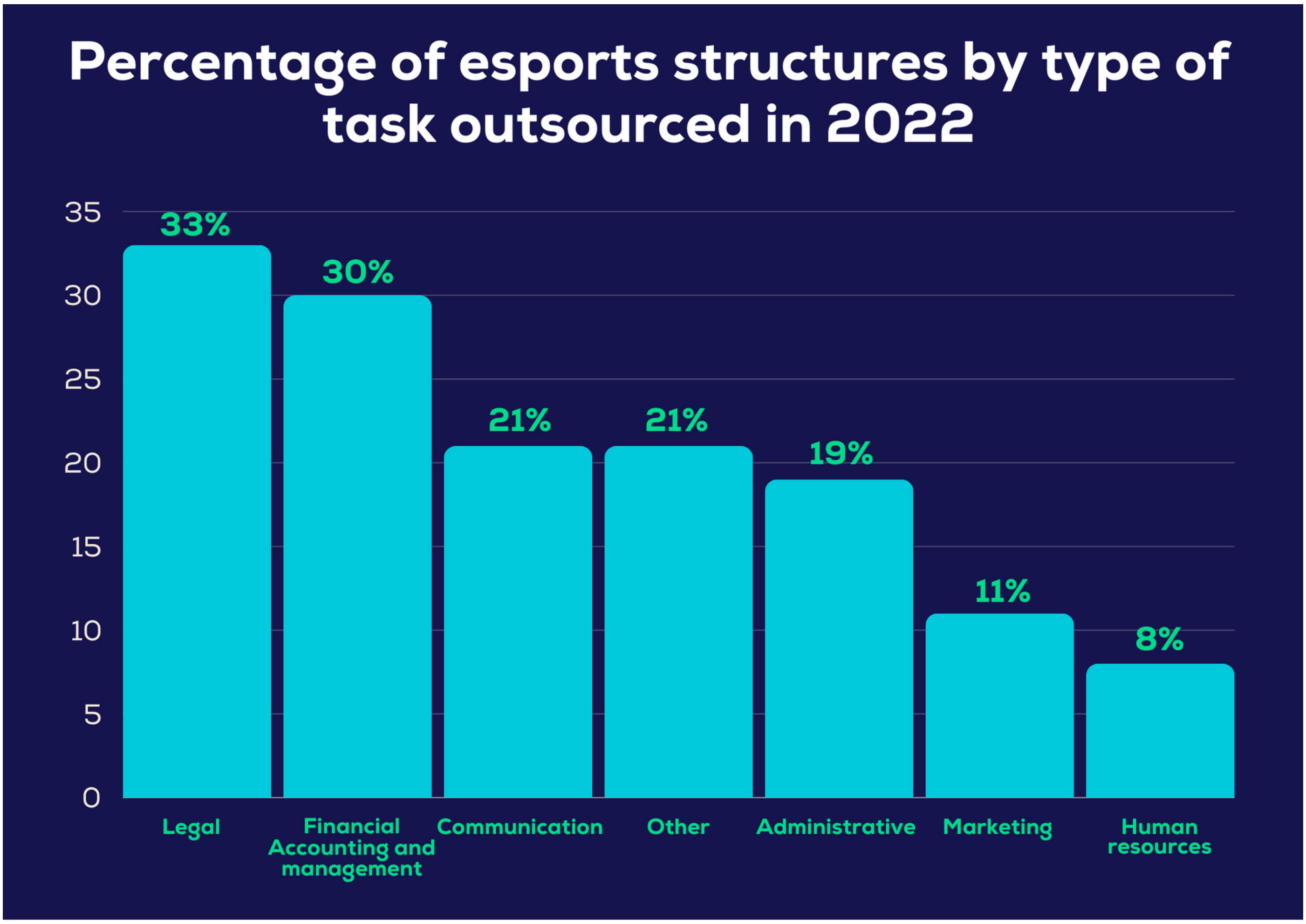
Respondents were then asked a question about outsourcing tasks. The results show that four out of five respondents say they use service providers to outsource certain tasks related to the strategic management of the company.




@Unsplash - Ella Don

The organisations concerned were posed an additional question asking them to specify which tasks were subject to outsourcing. The graph below shows, for each strategic task identified, the percentage of respondents stating that they use external service providers to manage the task. Legal is the most frequently cited area, with a third of respondents claiming to outsource this aspect of business management. This is followed by 30% of respondents who say they use external service providers for accounting and financial management. Other tasks are regularly mentioned, such as communications (21%) and administration (19%).

Finally, the 'other' category was also cited by around 20% of respondents. Here, it was possible for respondents to specify the type of tasks outsourced, with the responses obtained being strongly polarised around two types of task, namely audiovisual production (editors, graphic designers) and competition organisation (event management, commentators, security).



Lastly, the actors questioned were asked whether they found it difficult to recruit when they had vacancies to fill. Around 40% of respondents answered positively. Although these actors are therefore in the minority, the figure is still relatively high and reflects a degree of tension in the employment market, which seems to be concentrated around certain professions. Entities experiencing recruitment difficulties were asked about the types of job for which they were experiencing difficulties. By far the most frequently cited profession was sales. This was followed by communications (e.g. community manager) and audiovisual production. It is interesting to note that almost all of the difficulties expressed concern support function posts and therefore do not concern the purely 'sporting' aspect (players, coaches, staff, etc.) of the sector.

C - Conclusion

The data presented highlights a marked change in the esports sector between 2019 and 2022. Firstly, the economic weight of esports in France almost tripled over the period, rising from €50 million to €141 million (after adjustment). The sector appears to be growing steadily, with an average annual increase of around 55%. On the other hand, certain indicators show that the sector is highly concentrated around a small number of actors. In particular, the differences between the average and median indicators highlight the fact that the majority of actors in the sector today are VSEs/SMEs[27], while the largest actors account for most of the sector's turnover. There is also a certain financial fragility among associations, which generate very little income and have been hit harder by the COVID-19 crisis than commercial companies. Finally, fundraising suggests that the sector's economic environment is becoming more diversified, with an increasing variety of structures raising funds.

The sample collected also makes it possible to estimate the number of jobs generated in France by the esports sector in 2022 at 1,017 FTEs. This figure represents an increase of around 56% on the 650 FTE identified by the PIPAME study in 2019. Employment in the esports sector today seems to be characterised by massive recourse to the provision of services, often replacing permanent contracts. In addition, the results show that, like sales, the increase in the number of FTEs is intrinsically linked to the biggest actors in the sector. Finally, it should be noted that a significant proportion of organisations are experiencing difficulties in recruiting, indicating a degree of tension in the job market.

[27] *VSEs are very small sized companies (enterprises) / SMEs are small to medium sized companies (enterprises)*

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03

Presentation of trends identified in the qualitative analysis

Presentation of trends identified in the qualitative analysis

Qualitative data was collected through semi-directive interviews with video game publishers, local authorities and industry experts. These interviews enabled us to identify a number of trends in the esports sector in France. The aim of this qualitative section is therefore to contextualise and explain the quantitative data presented above.

A - Economic development of esports: a quest for consolidation after strong growth

• Ongoing development

The quantitative data collected highlights a sharp increase in the growth rate of turnover for companies in the French esports sector over the period 2019-2022. This rate rose from 27% between 2019 and 2020 to 54% between 2020 and 2021, reaching 92% for the period 2021-2022. The economic development of esports is intrinsically linked to the development of competitive video games, which have spread rapidly since the late 1990s thanks to three major factors.

The first factor explaining the rise of esports is the clear increase in audiences since the beginning of the 21st century. Recent events show that fans are becoming increasingly keen on esports events. ***The League of Legends 2023 World Championship*** (Worlds 2023) on 19 November 2023 reached a peak audience of almost 6.5 million people, with an average worldwide audience of 1.2 million.[28] According to some studies, global esports audiences should continue to grow at a rate of around 8% per year, rising from 532 million in 2022 to 640.8 million in 2025.[29] In France, large-scale physical events are multiplying, sometimes attracting tens of thousands of spectators or visitors.[30] The COVID-19 health crisis was an exception and had a negative impact on a number of actors in the sector, leading to the cancellation of many live events.

Secondly, the technological advances of the last ten years have largely contributed to the democratisation of esports on a global scale. This is particularly evident in the explosion of streaming, which has now become the main method of consuming esports content. The fact that streaming sites are virtually free has made a major contribution to the growth of esports audiences, enabling anyone to follow competitions provided they have an internet connection. Technological advances have also enabled actors in the sector to offer increasingly high-quality content at relatively low production costs, especially when compared with traditional media forms, such as television.

@Unsplash - Sean Do

[28] *Source : https://escharts.com/tournaments/lol/2023-world-championship, consulted on 29/01/2024.*
[29] *Source : April 2022 Global Esports and Live Streaming Market Report, NewZoo, 2022.*
[30] *For example, the KCX 3 organised by Karmine Corp in September 2023 attracted around 28,000 people to Paris*

Finally, the economic development of esports has largely been supported by the emergence of new markets. Historically, esports has emerged in a limited number of regions (Europe, the United States, East Asia), and has become a veritable cultural phenomenon in certain countries such as South Korea. However, the strong international dimension of the esports has led it to spread to new countries in recent years. It is therefore logical that new geographical markets have gradually emerged, renewing the prospects for economic growth. These markets include South America, Africa, India and Japan, where esports has been developing particularly rapidly in recent years.

The Middle East also seems to have turned the corner on esports and has a proactive, even offensive, strategy in the sector. This can be seen in the recent acquisition of professional league ESL Gaming and production company FACEIT by Saudi-based Savvy Gaming Group. The stated aim was to create the world's leading competitive gaming platform, now named the ESL FACEIT Group. This deal was soon followed by the acquisition by the same group of the rights to the *esports World Convention* (ESWC) and the subsequent announcement that a "World Cup" would be held from the summer of 2024, with the ambition of becoming one of the biggest tournaments in the world. Through the Savvy Gaming Group, Saudi Arabia plans to invest several tens of billions of US dollars in video games and esports over the coming years, and is expected to play an important role in defining the future shape of the sector.

@Unsplash - Ella Don

• The challenge of monetising audiences

The explosion in audiences has confronted the esports sector with a problem that has now become central: how can the views generated by the arrival of new spectators be monetised? The esports sector is generally characterised by the consumption of free content (excluding live events), particularly via streaming services (e.g. Twitch) or rebroadcasting on social networks (e.g. YouTube).

What's more, the content produced during esports competitions is generally unsuited to television broadcasting, since the competitions are spread over several days and the matches are played out over relatively wide time slots. This largely explains why esports is still virtually absent from any television channels, with a few rare exceptions. In this context, media groups interested in broadcasting esports content must rely on alternative channels, such as Over The Top (OTT) platforms. Given that esports content is largely unsuitable for television broadcasting and that it is always free to view, it is currently impossible for rights holders in the sector to generate revenue from the broadcasting of their competitions that would support their business model.

The absence of television broadcasting rights means that the economic model of a number of actors in the sector is relatively fragile. This is generally supported by income from sponsorship or service provision, and dependence on a single type of income is a significant challenge for the sector.[31] After a phase of sustained growth, made possible by increased investment (particularly from sponsors), it would appear that the sector has entered a phase of transition, or rather economic consolidation. In this respect, the increasing individualisation of esports content, polarised around strong personalities and supported by large communities, could see the esports sector evolve from a strictly competitive aspect towards a more general entertainment economy.

[31] *The sample studied shows that income from sponsorship and the sale of consultancy services represents on average 75% of the total income of the structures.*

This suggests that the industry is already moving in the direction of the influencer market, which has become increasingly important in recent years. This phenomenon can be seen in the arrival of a "new generation" of team organisations led by well-known figures from the world of streaming and influence. As verification of this cultural shift, teams such as Karmine Corp and Gentle Mates, led by well-known influencers, have recently emerged.[32] These team organisations are created on the basis of the reputation of their founders and from the outset can rely on a significant and highly committed fanbase. This enables them to immediately attract the interest of new sponsors, in order to generate the income they need to fuel their ambitions in terms of sporting performance. Finally, it should be noted that the emergence of the influencer market is also affecting the events sector, insofar as more and more influencers are involved in the organisation of events with the aim of capturing a wider audience. As influencers generally come to events in exchange for a financial contribution from the organisers, the development of the influencer market has resulted in an increase in organisational costs for certain actors in the sector.

• The search for a sustainable business model

Faced with the absence of broadcasting rights, there is a growing number of avenues for development in what is becoming a veritable quest for a sustainable economic model for the sector. This is particularly true for team organisations, whose revenues depend largely on sponsorship contracts and, to a lesser extent, private fundraising, which tends to reinforce their economic instability. As sponsorship income is inherently linked to audience performance (in terms of numbers) of the `object` it supports, public reputation and interest play an essential role. However, audience importance can sometimes outweigh that of sporting performance, (which then becomes no longer sufficient to stabilise the economic model of team organisations), as in the case of the LDLC OL team that disappeared in 2023 despite having very good competitive results.[33]

[32] Karmine Corp was created in 2020, Gentle Mates in 2023.
[33] https://esportsinsider.com/2023/05/team-ldlc-cease-operations-july

The search for a viable economic model has become a priority for all the links in the value chain, with everyone now looking for stable, recurring sources of revenue to move away from the traditional dependence on sponsors and investment. This dynamic can also be a joint one, bringing together different actors. For example, team organisations regularly work with publishers to set up revenue-sharing mechanisms, or with local authorities, such as the partnership between Karmine Corp and Grand Paris Sud Seine Essonne Sénart[34] to provide the team with its own stadium. Esports events are seen here as a lever for potential growth for Kamine Corp, which will be able to deploy its own events at the Evry-Courcouronnes Arena from 2024. Fan engagement tools to reward the commitment of supporters, for example, through loyalty mechanisms, are also interesting ways of diversifying revenue.

However, such operations are no guarantee of audience success. While esports is characterised by a strong commitment from its communities, an understanding of the codes and customs is an essential prerequisite. In this respect, it should be noted that the practice and consumption of esports are protean: meaning they both change rapidly and easily according to the different games and the different media used. The question of the game medium also conceals another potential lever for economic growth, with the expected emergence of a strong mobile esports market. Currently under-represented in France, the mobile esports market is set to expand over the next few years, offering exciting growth prospects. It's worth remembering that the smartphone is now the most popular gaming medium among the French population, with 53% of them playing games on their mobile phone.[35] The dividing line between casual gaming and esports is particularly fine on mobiles. This platform therefore represents a potential growth driver and could become one of the sector's major areas of development in the years ahead.

[34] *Source : The French and video games, SELL and Médiamétrie, 2023*
[35] *https://en.wikipedia.org/wiki/Communaut%C3%A9_d%27agglom%C3%A9ration_Grand_Paris_Sud_Seine-Essonne-S%C3%A9nart*

B - Video game publishers: between stabilisers and regulators

• A strong link with the esports sector and its actors

As holders of the intellectual property rights to the video games used on the esports scene, publishers are key actors in the esports economic ecosystem on a global scale. The interviews conducted as part of this study highlight a growing willingness on the part of publishers to support the development of the esports scene worldwide. Indeed, many publishers are now contributing to the economic development of the esports sector, whether by supporting the organisation of competitions or by themselves operating the various competitive circuits. It should be noted that, for all the publishers interviewed, the expenditure involved in esports corresponds to an investment that is not yet proving profitable. The budgets mentioned in the respective interviews vary, but are generally in the hundreds of thousands or sometimes millions of euros.

Although not directly profitable, esports can serve as both a marketing tool and a community lever for publishers. The term "marketing tool" is used to the degree that as the development of large-scale competitions enables games to be showcased, thereby increasing their visibility among consumers. What's more, esports competitions help to sustain the community of gamers around publishers' titles. In this respect, local competitions are crucial, and publishers have no hesitation in promoting the development of this type of competition to accompany their flagship events. For example, publisher Bandai strongly supports the development of amateur play of its *Tekken game*. This includes making equipment available and promoting local associations on social networks.

To enhance the effectiveness of their actions and facilitate the organisation of certain competitions, publishers are increasingly developing synergies with other actors in the sector. A genuine co-production approach to esports seems to be emerging, as publishers join forces with new partners. One example of synergy is the association with tournament organisers, with the aim of pooling skills and resources, while sharing both production costs and revenues linked to competitions. One example is French publisher Ubisoft, which outsources part of the production of major esports competitions through partnerships with the International Olympic Committee (IOC) for the game ***Just Dance*** or with the company Blast for the game ***Rainbow Six: Siege***. Similarly, Riot Games co-produces the French ***League of Legends*** (LFL) in partnership with Webedia, while the competition is broadcast by One Trick Production. This collective approach enables publishers to continue to support the development of the esports sector while limiting losses.


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• Economic regulation mechanisms available to publishers

Publishers are playing an increasingly central role in regulating the esports market. This growing investment can be seen in two parallel dynamics. On the one hand, publishers can act as economic stabilisers, particularly for team organisations. Publishers such as Riot Games, Valve and Ubisoft have introduced revenue-sharing mechanisms to redistribute certain revenues from esports competitions to team organisations. For example, in its ***Rainbow Six: Siege*** game, Ubisoft offers the sale of certain skins created in the image of team organisations. Part of the revenue from the sale of these skins goes directly to the teams in question, enabling them to diversify and increase their income through in-game purchases. Similarly, Riot Games operates a revenue redistribution system in the LFL.

On the other hand, publishers can act as economic regulators by imposing limits that must not be exceeded, for example when organising competitions. This regulatory role can take the form of limiting the expenditure of team organisations, as in the case of the luxury tax introduced by Riot Games in the *League of Legends EMEA Championship* (LEC) from 2024 to cap the salary expenditure of teams taking part in the competition.[36] In practical terms, this measure introduces two thresholds (a minimum and a maximum) in order to limit the salary expenses of LEC teams and ensure the league's competitiveness. Teams failing to comply with the new financial regulations will be fined according to the difference between their payroll and the thresholds set by Riot Games. The sums potentially collected via these financial penalties will then be redistributed by the publisher: half will be shared by the LEC teams complying with the new financial regulations, while the other half will be reinjected into the lower echelon (EMEA Masters). This new system is therefore a very good example of the dual role that publishers can play, as regulators and stabilisers contributing to the financial equilibrium of professional structures.

[36] *Source : https://lolesports.com/article/lec-introduces-sporting-financial-regulations-(sfr)/bltf7b7f07e130f0618, consulté le 29/01/2024.*

C - Local and regional authorities, economic accelerators for the French industry

• The emergence of a public esports policy

The way in which the public sector views the esports sector seems to be gradually changing, as more and more local authorities realise the potential benefits of developing esports. It now seems clear that esports can act as a lever of economic and tourist appeal for areas that invest fully in this sector. For example, the city of Montpellier's cultural and creative industries (CCI) alone account for more than 2,500 jobs in the local economy. Montpellier has therefore adopted a highly advanced strategy to capitalise on the power of its CCI sector and attract some of the biggest actors in the French esports sector to the area.

In addition, live esports events can attract large numbers of spectators, such as the LFL Days organised in Nice in 2023, which attracted more than 10,000 spectators over three days, an estimated 70% of whom were from outside the city. These tourists, present in the area thanks to the esports event, generate strong and diversified economic spin-offs for the area (catering, accommodation, culture, etc.). As a result, some local authorities are beginning to put in place genuine tourism strategies linked to esports activity, using esports as a territorial marketing tool. For example, the Occitanie region has extended its offer of €10 train tickets to esports events, giving esports fans unlimited travel within the region as part of their visit to the area.

In addition to the growing economic impact of a sector that has almost tripled in volume since 2019, esports has a strong social dimension and public policies based around video games are multiplying throughout France. Some regions, such as the Région Sud[37] and Brittany, have a particularly dense network of associations, which form the basis and driving force behind local esports activities and provide support for the development of public esports policies. The Région Sud (Southern Region) is characterised by the deployment of a large number of social initiatives in cities, such as the construction of a Gaming House for Social Integration (GHINS) in the priority neighbourhoods of Aix-en-Provence.

Other local authorities are using esports for educational purposes, such as the Centre-Val de Loire region and the Grand Paris Sud conurbation. The Centre-Val de Loire region is supporting the development of regional tours focusing on digital professions and training, and issues relating to the prevention of video game use. Grand Paris Sud, for its part, has a particularly well-developed esports education strategy, with the roll-out of the "savoir e-jouer" (know how to e-play) programme to CM1 and CM2[38] classes across the region.

Finally, the social role of esports can be assessed through the inclusivity of the practice. This can be expressed primarily through the generational prism. While young people are often the priority target of public policies linked to esports, there is a growing number of initiatives aimed at senior citizens and people with disabilities, who can also benefit from public esports policies, thus reinforcing the inclusive dimension of the sector. An example of this is the municipal esports centre in Boulogne-Billancourt, which offers esports activities for seniors and people with disabilities or psycho-cognitive disorders. In particular, a partnership has been established with a local hospital to work with nurses and an occupational therapist to improve the physical and mental condition of patients through video games.

[37] *Provence-Alpes-Côte d'Azur region.*
[38] *CM1 - US Grade 4 UK Year 5 AGE= 9-10 / CM2 - US Grade 5 UK Year 6 AGE= 10-11*

It appears that the perception of esports by the elected representatives of local authorities is the determining factor, as it can act as a driving force as well as a brake on the economic and social development of esports in an area. In this respect, the dynamic of constant comparison with the sport sector can sometimes slow down or even block the development of public esports policies in certain regions. While the majority of the interviews conducted revealed progress in this area, it also appears that the subject of esports is still too often supported by only a small number of elected officials and/or technicians within local authorities. Generally speaking, one or even two people are in charge of esports development issues in addition to their normal duties, and at this stage it is still extremely rare for local authorities to have FTEs dedicated to esports development. Finally, it would appear necessary to formalise a written strategy for the development of esports in a region, similar to the Territorial Sports Plans (PST) used in the field of sport. Some local authorities, such as Grand Paris Sud, are pioneers in this field and have public esports policies that are particularly well developed and formalised at local level.[39]

• Support for the development of esports goes well beyond the financial framework

French local authorities have put in place a wide range of measures to develop the practice and economy of esports in their areas. It is possible to identify three main areas of contribution through which local authorities are developing esports policies. Firstly, they can support the attractiveness and long-term economic development of an area by putting in place structured local esports policies. Secondly, local authorities can support the region's appeal on a more one-off basis, in particular by hosting large-scale esports events. Finally, public actors can be mobilised around the issue of developing amateur esports, which can be seen, for example, in the support given to local associations.

[39] *Source : https://www.grandparissud.fr/vivre-ici/sport/grand-paris-sport/politique-sportive-de-lagglo, consulted on 29/01/2024.*

Support for the development of esports takes the form of subsidies for actors in the sector. It should be noted that esports represents a cost for local authorities. The economic benefits (territorial attractiveness) and social benefits (social utility) of esports partly explain this proactive approach to financial support. Subsidies paid as part of policies to support the development of esports mainly include operating subsidies for local associations and one-off subsidies for the organisation of esports events. The budgets allocated to esports vary from a few thousand to several million euros, depending on the local authority, but it would appear that the amounts are increasing, although the increase is relatively modest. The data collected during the quantitative phase also shows that the majority of the sector's income is generated through sponsorship or the sale of services, while subsidies account for a very small proportion of the income of the structures studied.

An increase in the financial resources allocated to the development of esports, at both state and local level, will be one of the sine qua non conditions for structuring the sector over the coming years, particularly as regards amateur practice. The quantitative data collected shows a certain financial fragility among associations, which have limited resources and have been hard hit by the COVID-19 pandemic. As a reminder, the associations studied show a negative growth rate between 2020 and 2021 (which is not the case for commercial companies) and the economic recovery observed in 2021-2022 is weaker for associations (+40%) than for companies (+60%).

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In addition to grants, local authorities can support esports actors by providing material and logistical support. This often takes the form of making premises available to associations or public spaces for large-scale events. For example, each year the Greater Poitiers conurbation makes the Poitiers Exhibition Centre available to the Futurolan association so that it can organise the Gamers Assembly, an event that now attracts more than 20,000 visitors to the area. Greater Poitiers also has stands at the event to welcome visitors and enable them to play video games.

In addition to hiring or making venues available, local authorities can sometimes provide logistical support and help with the preparation of certain events. This is the case in Paris, for example, where the city assists event organisers with the wiring and preparation of rooms used for esports events. The city also assists organisers through organisations such as Paris&Co and Paris Je T'aime, which can provide support in areas such as hotels, transport and logistics. The city of Paris has put in place a number of measures to help it host major events, and this strategy is bearing fruit, as in the case of the *League of Legends Worlds* in 2019 and the *Counter Strike Paris Major Blast* in 2023. Generally speaking, all of the local authorities surveyed appear to be using this type of support to encourage the development of esports in their area.

The question of strengthening the links between regions and esports will be crucial in the years to come. In particular, there will undoubtedly be the question of the territorial roots of team organisations and their relationship with local authorities. While some teams already have strong local roots, such as Game Ward operating in Boulogne-Billancourt, Grand Paris Sud and Karmine Corp recently laid the foundations for large-scale infrastructure cooperation by signing an agreement establishing the Salle des Arènes as the main home of one of France's biggest team organisations. If this type of partnership proves fruitful, it is possible that this model will be multiplied over the next few years, thus completing the range of material support schemes for the development of esports put in place by local authorities.

Local authorities are also deploying a growing number of tailor-made support schemes with the aim of attracting new economic actors or facilitating the activity of actors already present in the area. The city of Montpellier is a case in point, with a particularly advanced and individualised support system in place. Support for esports facilities can take a variety of forms, such as the search for or purchase of land for companies, the refurbishment of premises or the search for potential partners with a view to developing joint projects within the area. The Centre-Val de Loire region has a similar scheme, acting as an intermediary between actors in the sector and local authorities to facilitate exchanges between the various entities.

Finally, support can be offered in terms of visibility, with the local authorities providing assistance with communication campaigns. This can be deployed at esports events or as part of the promotion of initiatives undertaken by local authorities. For example, the first esports action plan proposed by the Brittany region in 2020 included an entire section dedicated to communication initiatives, with the aim of ensuring that the local authority was genuinely identified as being active in the development of esports. For its part, Greater Poitiers is fully integrating esports into its communications strategy, with publications on social networks as well as highlighting local esports events in the local authority's magazine. Communications support can also be channelled directly to associations, as is the case in the Région Sud, for example.


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Finally, local authorities can support the development of esports in their area by setting up a dedicated training programme. This can take the form of the creation of local qualifications, such as the professional diploma for youth, popular education and sport (BPJEPS) "physical activity for all - esports" to be introduced in 2019 by the Région Sud. Some local authorities are also offering training courses for their employees to familiarise them with the esports sector. One example is Grand Paris Sud, a conurbation that has trained its media library staff in the key issues involved in esports.

The development of synergies with the region's educational and student sectors is a further area for consideration. For example, esports courses could be set up within universities, as is already being considered by Greater Poitiers, or esports initiatives could be introduced at primary and secondary school level. Projects such as the Educ Esports programme, which offers esports-related workshops to secondary school students in the Yvelines region, have already been set up. To complement the educational aspect of training, a range of activities can also be devised outside the school curriculum. The Centre-Val de Loire region offers training in esports consultancy and communication for young people in the region.

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• A particularly diversified territorial approach

The esports sector currently seems to be relatively centred around the Paris region, as evidenced by the data collected during the quantitative phase: 56% of respondents stated that their main region of activity is the Paris Region. Despite this strong geographical concentration, France has the advantage of having a highly diversified sector, with many identifiable specificities within its various local authorities. For example, the Greater Poitiers intermunicipality has a large number of economic actors in the games sector within its territory. This has led the public authorities to see the development of esports as complementary to the more traditional aspect of board games, with the creation in September 2023 of an FTE dedicated to the development of the gaming world in Greater Poitiers. This Games Project Manager post is therefore the first FTE within the local authority whose remit fully includes the development of esports, with a clear desire to create synergies between the worlds of board games and video games.

Generally speaking, it seems that the regions are adapting their approach to esports development according to the local economic ecosystems already in place, resulting in a real specialisation of certain regions. The Centre-Val de Loire region, for example, is focusing on the development of the digital sector, while Brittany and the Région Sud have a particularly dense network of associations, and the Paris and Occitanie regions seem to be well-suited to hosting major events. This diversity is a real asset, and opens up numerous economic prospects for the sector on a national scale.

The development of esports within local authorities often takes place within the framework of collaboration between different local actors, which encourages the emergence of synergies between sectors and between actors. The first actors involved are structures with a digital link, such as media libraries or shopping centres. Media libraries are generally associated with the deployment of public esports policies, and are therefore an ideal support for local authorities. A large number of local authorities, particularly in the Paris region, say they have set up projects with local media libraries to support the development of esports. Partnerships can also be formed with non-endemic actors, i.e. actors from outside the esports sector. For example, the Occitanie region has set up a partnership with professional rugby club Stade Toulousain to offer esports courses to young people in the region. Esports is clearly developing within local authorities via a resolutely collective dynamic. This can be seen first and foremost in the proliferation of meeting places and exchanges between the various actors in the region. We are seeing the creation of gaming houses or even esports houses, meeting places for actors in the sector or even clusters such as Pixel Player in the Centre-Val de Loire or the Campus Ludique International Parthenay-Poitiers. The esports sector's collective approach is also expressed through its network of associations, which are the foundation and driving force behind the development of esports in the regions.

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04

Conclusion

Based on the data collected as part of the French Esports Economic Observatory, the economic weight of the French esports market in 2022 is estimated at around €141 million. Compared with the results of the PIPAME study (€50 million), this represents a threefold increase in the economic weight of esports over the period 2019-2022. The sector's turnover has grown at a steady pace, with average annual growth of 55% over the period studied. At the same time, the number of FTEs generated has also increased, with 1,017 FTEs estimated for 2022 compared with 650 in 2019, representing an increase of around 50% in four years. The data collected also shows a high level of economic concentration around a small number of actors who account for the majority of overall esports sales in France. This trend can be seen in the large discrepancies between the average and median data collected, and in the fact that the ten biggest actors account for around 70% of the sector's total turnover.

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Buoyed by rapid expansion, French esports now seems to have entered a phase of economic consolidation, which will involve finding a viable long-term business model that is less dependent on fundraising and sponsorship. Many actors, like the team organisations, have embarked on a genuine quest for a sustainable business model and are exploring new avenues to diversify their revenues. Game publishers will play a key role in stabilising the sector. They are taking initiatives to redistribute the revenue generated by their esports-related activities, while some are attempting to regulate their competitions.

The sector's economic environment is also diversifying. This can be measured by the arrival on the market of new actors in recent years, including non-endemic actors. There now seem to be three main groups of structures making up the French esports landscape. The first group is made up of "historic" companies, which have been present for some twenty years and are true pioneers of the sector. The second group emerged in the 2010s and is mainly made up of structures linked to the core business of esports, such as tournament organisers and team organisations, some of which have become major actors. Finally, the 2020s will see the arrival of new entities, the majority of which seem to have invested in esports in order to diversify their activities. In this respect, the third group is made up more of non-endemic structures or service providers for whom esports represents a minority share of their economic activity. This does not prevent the occasional appearance of large-scale structures, such as so-called "new generation" team organisations. Finally, local authorities have become increasingly involved since the end of the 2010s, supporting the development of the sector through a variety of means: subsidies, material support, communication, support for companies, etc. We are thus witnessing the gradual emergence of a genuine public esports policy.

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It seems that esports in France has now reached a certain level of maturity. Economic maturity, on the one hand, as evidenced by the evolution of the main indicators studied. On the other hand, there is maturity in the sector's ability to promote itself. The volume of data collected, both quantitatively and qualitatively, is a real source of satisfaction and demonstrates a strong desire to contribute to measuring the sector's economic weight. It would also be interesting to diversify the range of economic studies on esports in France. For example, it seems essential to carry out economic impact studies for major esports events in order to quantify more precisely the benefits that the esports sector can bring to the local economy.


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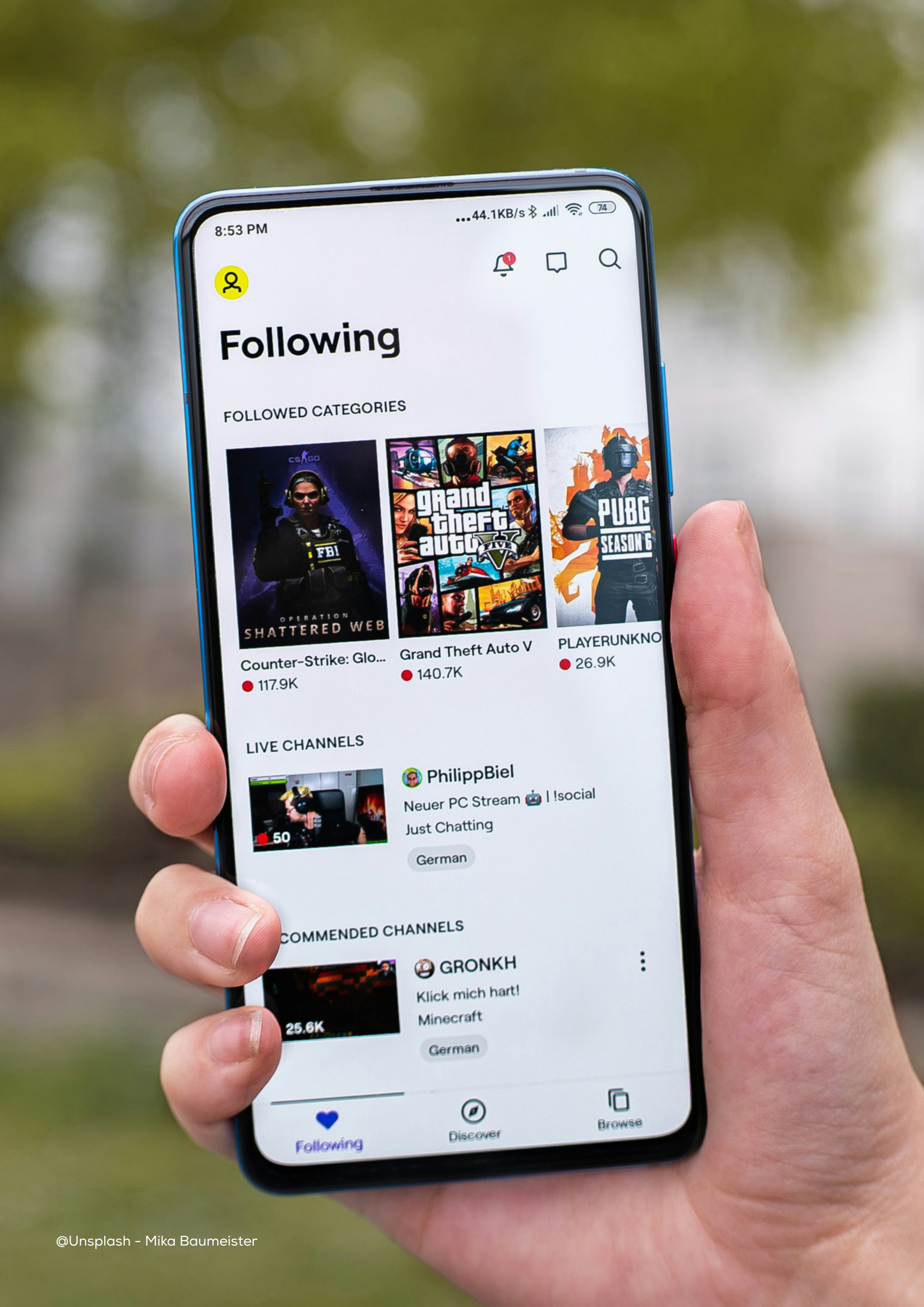
The French Esports Economic Observatory is the first step in a process designed to study and explain the economic development of esports in France over the years. The aim of this first edition is simply to provide a snapshot of the industry's economy and employment in 2022. The main challenge for all actors, both public and private, is to use this tool to monitor the development of esports in France, both in terms of its economic indicators and by analysing the underlying trends that drive it. Future editions of the French Esports Economic Observatory should measure the impact of the deployment of public policies, anticipate changes in uses and practices and identify the types of emerging actors.



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