

The Influence of E-Sports Industry on Urban Development

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Abstract:

This thesis focuses on the influence of the electronic sports industry on urban development. With the rapid development of digital technology, the e-sports industry has moved from the periphery to the mainstream, exerting a huge influence globally. The e-sports industry, such as e-sports events, has also played a role in urban development through its influence. Based on the current development status of the global and Chinese e-sports industry, this thesis, through a multi-dimensional analysis of the relationship between the e-sports industry and urban development, reveals its role in economic, cultural, social and other dimensions. Research has found that the e-sports industry not only brings economic benefits but also promotes the shaping of urban culture and creates job opportunities. At the same time, it will also face challenges such as resource misallocation or pressure on public services. In the future, cities should fully leverage the growth prospects in the e-sports sector, formulate scientifically sound and reasonable development strategies, and promote mutual benefits and win-win outcomes between the e-sports sector and urban development.

Keywords: E-sports industry; E-sports events; urban development.

1. Introduction

In the digital age, e-sports, as an emerging entertainment industry, is booming at an unprecedented speed and has become the focus of attention from all sectors of society [1]. From an initial niche hobby, it has gradually evolved into a globally influential industry. Thanks to the popularization of Internet technology and the change in consumption concepts of the younger generation, the target audience of the e-sports industry has further expanded. And with the professionalization of e-sports, related industries

such as e-sports events have emerged. The scale of the e-sports market continues to expand globally. The revenue of the global e-sports industry has been growing, and the prize pools of e-sports events have also repeatedly reached new highs. Meanwhile, the number of e-sports users is constantly rising. In China, an increasing number of cities are beginning to recognize the potential of the e-sports industry and actively attract e-sports enterprises and events to settle down.

At present, most research on the e-sports industry focuses on aspects such as the current development

status and challenges of the industry, for instance, the industrial chain is not yet complete, and the social recognition is not high [2]. There are relatively few studies on its relationship with urban development. This research aims to enrich the research content in this field. By studying the interactive relationship between the electronic sports industry and urban development, it expands the understanding of the laws governing the synergetic development of emerging industries and cities. A deeper understanding of the impact of the e-sports industry on urban development can help formulate more targeted policies and implement more scientific and reasonable development strategies.

2. The Current Development Status of the E-sports Industry

2.1 The Current Development Status of the Global E-sport Industry

In recent years, the global e-sports industry has shown a rising tendency. The market size continues to expand. According to the “2024 Global Games Market Report” released by Newzoo, in 2024, the global games market generated an income of 187.7 billion US dollars, representing a growth by 2.1% year-on-year. The number of global players reached 3.42 billion, an increase of 4.5% year-on-year. Globally, the electronic sports industry has achieved

a fairly substantial market size, covering multiple fields. In addition, many influential e-sports events and e-sports clubs have emerged around the world. E-sports events such as the Major and the League of Legends World Championship, as well as e-sports clubs like Team Liquid and Falcons, all have a negative impact on the further development of the e-sports industry.

2.2 The Current Development Status of China's E-sports Industry

With the popularization of e-sports, China's e-sports industry is also showing a positive development trend. According to the Report, the actual sales revenue of China's e-sports industry reached 275.68 billion yuan in 2024, representing a growth by 4.62% year-on-year (Figure 1). The user base of e-sports reached 490 million, representing a year-on-year growth of 0.42%. With the expansion of the scale of e-sports users, China has also achieved remarkable accomplishments in club operations and e-sports events. In 2024, the number of provincial-level and above e-sports events held in China will reach 124. For instance, competitions such as the League of Legends Pro League (LPL) and the Honor of Kings Pro League (KPL) enjoy extremely high popularity. At present, there are 195 e-sports clubs that can be traced in China, among which strong e-sports clubs such as Chengdu AG Super Club and Shanghai EDG have emerged.

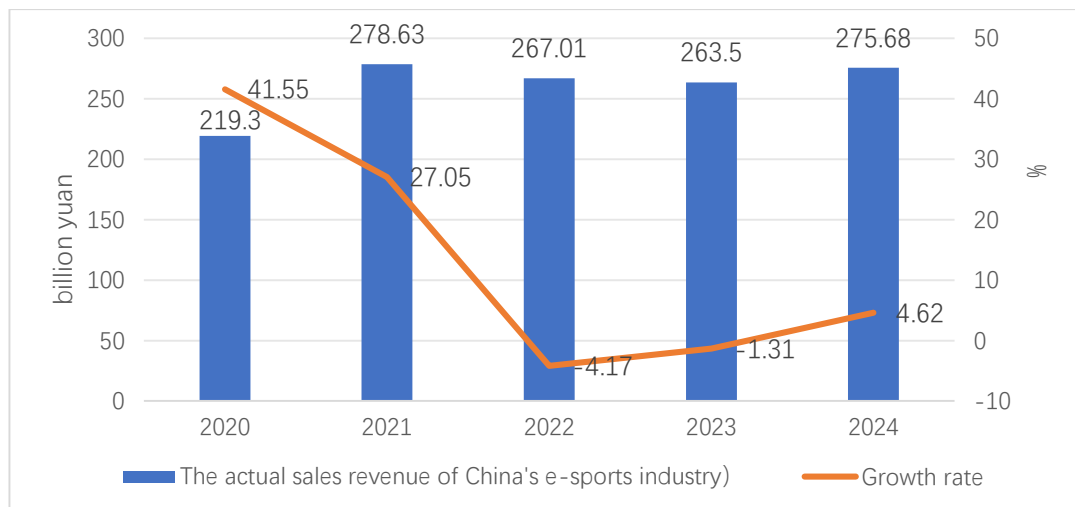


Fig. 1 The actual revenue and growth rate of China's e-sports industry

Date source: China Esports Industry Report 2024

2.3 Cities that are Significantly Influenced by the E-sports Industry

As one of the cities in China that is significantly influenced by the e-sports sector, Shanghai has rich experience in hosting e-sports events. In recent years, events such as

the Shanghai Major, the Dota2 International Invitational, and the S10 League of Legends World Championship have all fully demonstrated the richness and inclusiveness of the growth of e-sports events in Shanghai [3]. In addition, Shanghai was the first to propose creating a “Global

E-sports capital” in 2017, and the China E-sports Industry Research Institute also settled in Shanghai in 2023 [4]. Shanghai is leveraging its e-sports industry to attract more enterprises and investment, thereby facilitating its own development.

Cologne is home to the most important e-sports organization in Germany - the Esports Federation (ESL) and hosts major events such as Intel Extreme Masters (IEM) Cologne [5]. As a legendary city in the history of CS competitions, Cologne has deeply integrated e-sports with urban culture. As one of the world’s top three interactive entertainment exhibitions, on par with the E3 game Show in the United States and the Tokyo Game Show in Japan, the Cologne Game Show has created a strong e-sports atmosphere for the city. All these elements have driven the rapid development of the e-sports industry in Cologne.

3. The Impact of the E-sports Industry on Urban Economic Development

3.1 Economic Dimension

As the influence of e-sports games grows, e-sports events are often held. As one of the core links of the e-sports industry, e-sports events can directly drive the growth of consumption in cities. Large-scale e-sports events usually attract a large number of spectators to watch the games on site. The accommodation, catering, transportation, shopping and other consumption of these spectators during the event period bring considerable economic income to the city. For instance, the Shanghai major to be held in Shanghai in 2024 sold nearly 90,000 tickets. Due to the popularity of its events, it has attracted tens of thousands of spectators from all over the world, with 88% of the audience coming from outside Shanghai. This has greatly promoted the economic development of the business districts near the event venues.

The integration of the e-sports industry with other industries has also promoted the development of new business forms. For instance, the e-sports hotel, a product that combines traditional hotel services with e-sports elements, offers e-sports enthusiasts more professional gaming experience. According to the data from the “China E-sports Hotel Market Research Report”, as of September 2023, there are in excess of 20,000 e-sports hotels in China. [6]. In addition, the emerging industry of e-sports cultural and creative products is also constantly developing. By integrating e-sports culture with cultural creativity, a series of products with commemorative value have been created. For instance, T1 Esports Club has its own dedicated Internet cafe. Besides surfing the Internet, players can also purchase the club’s team uniforms and related cultural and creative products. The development of these emerging business forms can not only enrich the industrial forms of

the city. It can also bring new impetus to economic development.

3.2 Culture Dimension

The e-sports industry has attracted a large number of young people’s attention and participation and has created a new cultural calling card for cities through e-sports events [7]. Cities like Shanghai and Chengdu have hosted numerous internationally renowned e-sports events. These events not only demonstrate their influence in the e-sports field but also show their inclusiveness and openness towards culture. The audience can judge a city’s attitude towards innovation by experiencing its stance towards emerging industries. In addition, with the rise of the city team Intellectual Property (IP), audiences can better understand the cultural image of the city through the club’s business cards. For instance, Chengdu AG Super Club, leveraging its influence in the sports field, has also made more people aware of Chengdu. Its team slogan, “March Forward Bravely”, also reflects the courageous spirit of the people of Chengdu and further shapes the city’s cultural image.

The e-sports industry, with its powerful influence, can provide new channels and platforms for the dissemination of urban culture. For instance, the AAA game “Black Myth: Wukong” integrates the rich historical culture and natural landscapes of Shanxi into its game design. It selects real scenes for shooting, which not only brings players a stunning visual experience but also enhances the global popularity of Shanxi culture and promotes the development of tourism in Shanxi [8]. E-sports events are also a major medium for cultural dissemination. Relying on their global influence, they attract players and audiences from all over the world to participate. By hosting e-sports events, a city can become a global center for e-sports cultural exchange and spread its urban culture.

3.3 Social Dimension

As an emerging industry, the e-sports industry has great appeal for young people. The e-sports industry covers multiple fields and all of them require professional talents. Therefore, by developing the e-sports industry, cities can also attract professional talents to a certain extent and form a talent advantage. In recent years, the e-sports industry has seized opportunities such as the Olympic E-sports Competition [9]. China can learn from the United States by incorporating video game culture into professional course training and thereby enhancing the campus life experience [10].

With the improvement and development of the e-sports-related industry, this field has also brought about a huge number of job opportunities. In addition to the same players and coaches as traditional sports, it also includes various occupations such as sports commentary and event

operation [11]. As the core of e-sports events, electronic sports players win honor and benefits for their clubs and sponsors by participating in competitions. The coach formulates appropriate tactics to help the players improve their game skills. Event operation can facilitate the smooth completion of events, while e-sports commentary can use simple and understandable language to enable the public to understand the actual game situation, thereby having a good interaction with the audience. These various types of job positions have brought considerable employment opportunities to the city and enriched its employment composition.

4. The Potential Challenges that the E-sports Industry Poses to Urban Development

4.1 Risk of Resource Misallocation

Some cities blindly pursue the electronic sports industry without a rational assessment of their own industrial foundation and market demand, which easily leads to the waste of financial resources. Some cities lack core event IPs and leading enterprises to support them, resulting in a high vacancy rate in e-sports industrial parks and a large-scale vacancy of seats in e-sports venues. The high annual maintenance costs have gradually become a financial burden for local governments. Moreover, some cities, in order to compete for event resources, have fallen into the trap of “subsidizing competitions” in an attempt to attract event occupancy. This model not only intensifies the vicious competition among cities but also depletes the long-term development momentum of industries, having an extremely negative impact on urban development.

4.2 Pressure on Space and Public Services

The foot traffic of large-scale e-sports events poses a severe test to urban space management and the supply capacity of public services. Top-level e-sports events often attract tens of thousands of people to watch the games on site. Coupled with the flow of people from surrounding commercial complexes, it is very likely to cause problems such as traffic congestion and tight accommodation. Take the Shanghai League of Legends S10 World Championship as an example. Tens of thousands of spectators flocked to the area near the venue, greatly reducing the traffic efficiency in the surrounding areas, and the prices of hotels in the surrounding areas also increased accordingly. These are all challenges to public services. At the same time, attention should also be paid to the safety of the event venue. Through crowd control, accidents caused by large-scale crowds should be reduced [12].

5. Optimize the Path for the Coordinated Development of the E-sports Industry and Cities

5.1 Differentiated Positioning

The layout of the e-sports industry should be adapted to local conditions.

International cities can, with their international influence and well-developed infrastructure, undertake functions such as hosting top global events and gathering international talents. Take Shanghai as an example. By hosting top international events such as the S Series and MSI, it has attracted the attention of hundreds of millions of people worldwide and can convert the event traffic into consumption momentum, promoting consumption in related industries. In addition, Shanghai is home to the R&D headquarters of leading game companies such as Tencent and NetEase, possessing strong game R&D capabilities and forming a full-chain ecosystem of “R&D - events - consumption”. Such international cities can rely on their own capabilities to promote further development of their own cities.

It can rely on its own cultural characteristics and population advantages to follow a distinctive development path. For instance, Chengdu has deeply integrated e-sports with its regional culture. During the event, special tourism packages will be launched to attract tourists from outside to visit and consume. And do not forget to improve the execution service level of local events, and strive to build a professional scale of e-sports event operation [13]. Xi'an, in light of its historical and ancient capital heritage, has made e-sports a new medium for young people to understand traditional culture. Such cities have successfully avoided the homogeneous competition with some cities through differentiated content innovation and formed a distinctive development path. Since there are limited research on the comparative analysis of vocational education income between China and Germany, this paper provides qualitative analysis from this perspective. Based on the Chinese government's emphasis on vocational education, the value of this research direction may continue to increase in the future. Future research could focus on a specific problem of vocational education, for example, the impact of the development of science and technology on vocational education, and how countries should respond to it.

5.2 Change Social Perception

Promote the construction of an e-sports education system and break through social cognitive biases. Offer e-sports literacy courses in junior high schools to understand that e-sports is not only for entertainment but also has pro-

professionalism and competitiveness. Improve the relevant e-sports majors in colleges and universities, offer courses such as “Event Operation”, and enhance the professionalism of students’ abilities. In addition, considering students’ employment, the focus of professional courses is adjusted to further align with job positions [14]. Let high employment rates and salaries change social perceptions. Through social media, enhance the publicity and promotion of the e-sports industry to change society’s misunderstandings and prejudices towards e-sports. Publicize the current development status of the e-sports industry and its positive impact on various industries and promote a change in people’s perception of it. The positive aspects of the e-sports industry can be showcased through activities such as expert forums and promotional meetings, and the credibility and professionalism of the publicity can be enhanced.

6. Conclusion

This study systematically explores the multi-dimensional impact of the e-sports industry on urban development and the optimization paths through literature analysis, case comparison and data induction methods. The research results show that the electronic sports industry, as an innovative blending of the digital economy and the sports sector, is becoming a „new driving force“ for urban development. In terms of the economic dimension, it has created significant economic increments for the city through direct revenues such as box office receipts and related industries like cultural and tourism consumption. In the cultural dimension, e-sports, by shaping urban symbols and disseminating urban culture, have become an important carrier of a city’s cultural soft power. The influence of the e-sports industry is reflected in its functions such as promoting employment and gathering talents. However, the synergy between the e-sports and city development is not without challenges. It still faces challenges such as resource misallocation and service pressure. Based on the above analysis, this study proposes two optimization paths: under the premise of emphasizing the differentiated development of cities, accelerating the professional progress of the e-sports industry and reduce people’s prejudice against it. It is believed that in days to come, the integration of the e-sports industry and cities will present more possibilities.

The limitation of this study lies in that the case selection is mainly based on domestic cities, and there is insufficient reference to the experiences of cities in Europe, America and Southeast Asia. In the future, the research scope can be expanded to compare the development models of cities such as Seoul and Katowice, providing more universal theoretical and practical references for the coordinated development of the global e-sports industry and cities.

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