Analyzing the Esports Industry and Associated Risks to Competitors

Jiahn Kim

Livestreaming and Social Media in the Growth of Esports

Livestreaming and social media are two of the biggest factors behind the growth of esports. Livestreaming is an integral part of how esports reaches and maintains an international audience (Tang et al., 2024). Because esports competitions take place through video games, they can be broadcast directly through online platforms such as Twitch and YouTube, allowing viewers from different regions to watch the same events in real time. Research on esports audiences shows that online broadcasting has helped create fan bases that are less tied to a specific geographic location (Mangeloja, 2019).

The COVID-19 pandemic further increased the importance of livestreaming. While many traditional sports were temporarily shut down or heavily disrupted, esports and video game streaming continued online and gained additional attention from people who were looking for other forms of entertainment (Hedlund et al., 2026). Research on Twitch usage during the pandemic also found substantial increases in viewership and platform participation after the outbreak of COVID-19 (Chae & Lee, 2022). This period helped expose more viewers to gaming livestreams and strengthened the role of online platforms in the esports industry.

Social media has also become an important tool for communication and promotion within esports. Teams, players, leagues, and game developers can use social media to share updates, interact with fans, and promote upcoming competitions. Teams can also create their own digital media, including highlights, interviews and short-form videos in order to expand their online reach and maintain fan engagement between competitions. Research on esports fan engagement shows that fans frequently interact with teams and other fans online and share information through social media platforms (Huettermann & Pizzo, 2022).

Beyond direct communication with fans, social media also allows esports content to continue circulating after a live event has ended. Highlight videos and memorable moments from matches can be shared across platforms, giving fans additional ways to follow the team and exposing content to people who may not have watched the original broadcast. Research on League of Legends highlights that viewership found that highlight videos can serve as marketing tools by increasing awareness and interest among both existing and potential viewers (Ryu et al., 2023). This means that a match can continue attracting attention even after the original livestream is over.

Because livestreaming and social media provide content throughout the year, esports audiences can remain engaged even when major competitions are not taking place. Fans can continue watching streams, follow players and watch highlights between tournaments (Huettermann & Pizzo, 2022; Tang et al., 2024). This constant availability of content helps esports maintain active online communities rather than depending only on individual events for attention. For professional players, livestreaming and social media can also serve as career tools. Players can use these platforms to build a personal brand, interact

directly with fans, and create income outside of tournament competition (World Intellectual Property Organization, 2026). As online audiences grew, esports also became more attractive to sponsors and investors looking to reach those viewers.

Financial Backing Behind Esports Growth

As esports audiences expanded through livestreaming and social media, the industry became increasingly attractive to sponsors, advertisers, and investors. Out of these three, sponsorships are the financial backbone of esports, accounting for roughly 60% of industry revenue in 2022 (Noh et al., 2025). Research on the esports business model also shows that sponsorship and advertising make up a large share of team revenue, making outside support an integral part of how esports organizations continue operating (Mangeloja, 2019). Hong (2022) similarly notes that sponsors can be an important source of financial support within professional esports. Sponsors can also support tournaments and competitive events by paying for brand exposure and promotional opportunities (Johnson & Woodcock, 2021).

One reason companies are attracted to esports is its ability to reach younger, digitally engaged audiences. Research on esports sponsorship shows that brands see the industry as a way to connect with consumers who may be more difficult to reach through traditional forms of advertising (Noh et al., 2025). Large companies have, therefore, partnered with teams, leagues, and tournaments to promote their products directly to esports fans. These partnerships give companies access to a young and digitally-engaged audience while also providing esports organizations with an important source of funding (Noh et al., 2025). By giving access to a specialized audience, companies benefit from their sponsorships while also providing esports organizations with an important source of funding.

Investment from game developers, team owners and other outside sources has also contributed to the professionalization of esports. Larger prize pools, more organized competitions, and the broader development of professional esports is supported by increased investment (Kang & Kim, 2025). Publishers also have an incentive to invest in esports because successful competitive scenes can help maintain interest in their games and strengthen their brands over time (Novak et al., 2025). As more money enters the industry, tournaments and organizations are able to operate on a larger scale and create more opportunities for professional competition.

Advertising and brand partnerships also help professional esports and organizations become more financially stable. In addition to direct sponsorships, organizations can generate revenue through branded content, advertising during broadcasts and events, merchandise and other commercial agreements (Mangeloja, 2019; Newham & Fry, 2026). These additional revenue streams can help teams cover operating costs and reduce their dependence on tournament winnings alone. Because esports organizations function as businesses as well as competitive teams, developing multiple sources of revenue can be important for their long-term stability.

However, relying heavily on sponsorships and outside investment can also create financial risks. Research has found that when a team, league, or game loses popularity, its value to sponsors may decrease, which can lead to reduced funding or the loss of sponsorship agreements (Mangeloja, 2019). Johnson and Woodcock (2021) also describe esports as an uncertain industry in which participants and organizations are strongly affected by the continued availability of outside commercial support. This means that although outside funding has contributed greatly to the growth of esports, organizations can become vulnerable when that support is reduced or withdrawn. Still, this increased financial support helped esports develop a more complex professional structure involving teams, coaches, publishers, tournament organizers and other stakeholders.

The Professional Structure of Esports

Professional esports involves much more than the players competing on screen. As esports became more heavily funded and professionalized, the industry developed a wider network of people and organizations working behind the scenes. Research on the esports ecosystem shows that the industry depends on a wide network of people and organizations to provide support for players and game growth, including coaches, analysts, team staff, game developers, tournament organizers, sponsors and broadcasters (Johnson & Woodcock, 2021). These groups contribute to both the competitive and business sides of esports, showing professional play being supported by a larger structure behind the scenes.

Within teams, coaches, analysts, psychologists and other staff members help players prepare for competition and manage the demands that come with playing professionally (Bubna et al., 2023). Research has found that esports organizations increasingly use specialized staff to support player performance and mental well-being, while coaching research also displays the importance of structured player development (Hong, 2022; Bubna et al., 2023). These support roles are critical because professional players do much more than simply practice the game; they require preparation, strategy, communication, and support throughout their careers.

Esports organizations also take on the business responsibilities that allow teams to operate, including marketing, sponsorships, team management, event management, legal matters and general finances (Hedlund et al., 2026). Because of this, esports organizations serve as the connection between players and many of the commercial parts of the industry. They help create the structure that allows professional players to focus on competition while the organization handles the business and operational responsibilities behind the team. However, this relationship can also give organizations substantial control over players through contracts, pay, disciplinary rules and working conditions, leading to questions of whether professional players should be legally treated as employees or independent contractors (Wong, 2020).

While esports organizations handle many of the business responsibilities behind professional teams, game developers also play a major role in shaping how the industry operates. Unlike traditional sports, esports developers own the games that are played at a professional level, which gives them substantial control over leagues, tournaments, competitive rulesets, and formats. In traditional sports, no single company owns the sport itself, but esports leagues and tournaments often depend on permission from the video game publisher to continue operating (More Than Just a Game, 2020). Publishers can also make changes to game mechanics, tournament structures and competitive formats, giving them direct influence over the competitive environment (Kang & Kim, 2025). The end of the Overwatch League after the 2023 season shows how this structure can affect professional competitors: after most franchise teams voted to leave the league, Blizzard moved Overwatch esports away from its existing league model and into a new competitive system (Nordland, 2023). This example shows the impact that changes to a publisher-controlled esports structure can have on teams and players who built their careers around it.

All in all, the esports industry operates through cooperation between many different groups rather than through players alone. Teams, coaches, publishers, tournament organizers, sponsors, broadcasters, and other stakeholders all contribute to the operation of professional esports (Hong, 2022; Johnson & Woodcock, 2021). Understanding this structure is important because professional players depend on these organizations and systems throughout their careers.

Opportunities and Risks for Professional Players

With this professional system in place, esports has become a possible career path for players, but one that comes with both significant opportunities and risks. Research suggests that the path of becoming a professional player often begins at a very young age and can require intense specialization. Many aspiring esports players begin rigorous training during adolescence, with some “practicing upwards of 10h a day” (Kang & Kim, 2025). Research involving more than 15,000 players also connects early specialization with burnout, physical strain and increasingly short career spans due to vast competition (Kang & Kim, 2025). These findings suggest that while esports may appear accessible to young players, reaching a professional level can require a major commitment early in life.

For those who do reach the professional level, esports can provide several sources of income. Players may earn money through tournament prize winnings and, at higher levels of competition, earn team salaries (Wong, 2020). One study reported professional team salaries averaging roughly $3,000 to $5,000 per month, while top-tier players could earn as much as $15,000 per month (Bányai et al., 2020). Additional income can come from sponsorships, livestreaming and other commercial opportunities tied to the player’s reputation and popularity (World Intellectual Property Organization, 2026). Popular players may also use social media, livestreaming and personal branding to increase their marketability and create opportunities beyond competitive play (World Intellectual Property Organization, 2026). This means that success in esports is not limited to only tournament results, as a strong personal brand can potentially help players extend their careers beyond being a professional player.

At the same time, the financial rewards of esports are not distributed evenly. In a study of 846 elite players across 62 countries, researchers found that Gini coefficients, which measure how unevenly income is distributed, are above 0.7 for prize earnings. A value this high indicates that a large share of the money is being concentrated among a relatively small number of top players. The study also found that players are particularly susceptible to leaving professional competition during the early stages of their careers (Newham & Fry, 2026). These findings show that, even among elite competitors, financial success is highly uneven and long-term career stability is far from guaranteed.

Career longevity is another major concern. Newer generations of esports players have experienced increasingly short careers, with median career lengths approaching about two years in some groups (Kang & Kim, 2025). These short playing careers are linked to factors such as burnout, intensive training schedules, physical fatigue, and uneven access to player health and career support (Kang & Kim, 2025). Esports players can also face instability when publishers change character abilities, weapon balance, game rules, tournament formats, or league structures, since these changes can alter how the game is played competitively and affect which players or strategies remain successful (Kang & Kim, 2025). Research on elite players also shows similar results, with career exits being common in the early years of professional competition (Newham & Fry, 2026).

Players may also face risks related to contracts and the lack of a single governing structure across the esports industry. Research has pointed to weak or inconsistent player protections, differences in contractual standards, and the absence of a universal governing body that could establish consistent rules across games and leagues (Kang & Kim, 2025; Patel, 2020). Wong (2020) and Patel (2020) both discuss unionization as one possible way for players to gain stronger bargaining power, more consistent working conditions and better protection in negotiations with teams and organizations. For potential competitors, understanding contracts and employment conditions can be just as important as understanding the competitive demands of the game itself. Overall, the research shows that professional esports can offer significant opportunities, but competitors must also consider potential tradeoffs; unequal earnings, short careers, mental and physical strain, unstable competitive environments and limited player protections.

Conclusion:

Overall, the growth of esports has been driven by the expansion of livestreaming and social media and increased sponsorships, investments, advertising and brand partnerships. These factors have helped esports reach global audiences, create new opportunities for teams and players, and support the continued development of the industry. At the same time, the research shows that becoming a professional competitor comes with major hurdles to overcome, including intense competition, disproportionate earnings, short career spans, burnout, physical strain and limited player protections. For aspiring competitors, esports can offer opportunities for income, personal branding and international exposure, but

those benefits should be weighed carefully against the financial, physical, mental and career risks that come with professional competition.

References

Bányai, F., Zsila, Á., Griffiths, M. D., Demetrovics, Z., & Király, O. (2020). Career as a professional gamer: Gaming motives as predictors of career plans to become a professional esport player. *Frontiers in Psychology*, *11*. https://doi.org/10.3389/fpsyg.2020.01866

Bubna, K., Trotter, M. G., Watson, M., & Polman, R. (2023). Coaching and talent development in esports: a theoretical framework and suggestions for future research. *Frontiers in Psychology*, *14*. https://doi.org/10.3389/fpsyg.2023.1191801

Chae, S. W., & Lee, S. H. (2022). Sharing emotion while spectating video game play: Exploring Twitch users" emotional change after the outbreak of the COVID-19 pandemic. *Computers in Human Behavior*, *131*, 107211. https://doi.org/10.1016/j.chb.2022.107211

Hedlund, D. P., Jenny, S. E., & Fried, G. (2025). *Esports Business Management*. Human Kinetics.

Hong, H. J. (2022). eSports: the need for a structured support system for players. *European Sport Management Quarterly*, *23*(5), 1430–1453. https://doi.org/10.1080/16184742.2022.2028876

Johnson, M. R., & Woodcock, J. (2021). Work, play, and precariousness: An overview of the labour ecosystem of esports. *Media Culture & Society*, *43*(8), 1449–1465. https://doi.org/10.1177/01634437211011555

Kang, J., & Kim, S. (2025). Game over too soon: early specialization and short careers in esports. *Frontiers in Psychology*, *16*, 1585599. https://doi.org/10.3389/fpsyg.2025.1585599

Mangeloja, E., Takala, T., Auvinen, T., Vesa, M., Tienari, J., Sajasalo, P., Heikkinen, S., Jean, H. M., & Kallinen-Kuisma, M. (2019). *Economics of esports*. https://jyx.jyu.fi/jyx/Record/jyx_123456789_66616

Newham, T., & Fry, T. R. L. (2026). The business of play: careers and earnings in elite esports. *Journal of Cultural Economics*. https://doi.org/10.1007/s10824-026-09603-2

Noh, Y., Ryu, Y., & Kim, K. (2025). eSport consumption and sponsor brand equity: the mediating role of congruence. *Frontiers in Psychology*, *16*, 1594068. https://doi.org/10.3389/fpsyg.2025.1594068

Nordland, J. (2023, November 9). *Overwatch League officially over as teams vote for exit - Esports Insider*. Esportsinsider. https://esportsinsider.com/2023/11/overwatch-league-officially-over-teams-vote-for-exit

Patel, R. (2020). ESPORTS, PLAYER POSITIONS, AND THE BENEFITS OF UNIONIZATION. *J.D. Expected*, *18*. https://scholarship.law.duke.edu/cgi/viewcontent.cgi?article=1353&context=dltr

Ryu, Y., Hwang, H., Jeong, J., Jang, W., Lee, G., & Pyun, H. (2023). Missed a live match? Determinants of League of Legends Champions Korea highlights viewership. In *Frontiers in psychology* (Vol. 14, p. 1213600). PubMed Central. https://doi.org/10.3389/fpsyg.2023.1213600

Tang, Y., Zhang, X., & Zan, S. (2024). Exploring e-sports fans' motivation for watching live streams based on self-determination theory. *Scientific Reports*, *14*(1), 13858. https://doi.org/10.1038/s41598-024-64712-2

Wong, J. (2020). *More than just a game: the labor and employment issues within esports*. Scholarly Commons @ UNLV Boyd Law. https://scholars.law.unlv.edu/glj/vol11/iss1/5/

Organization, W. I. P. (2025). Intellectual property and esports: *WIPO*. https://doi.org/10.34667/tind.58897