e-Sports Biz in Korea

2007. 8. 13

Korea e-Sports Association
Director, Je Hun-ho
KeSPA established in 2002 with the approval of Ministry of Culture & Tourism.
Leading Korean e-Sports as a sound leisure culture for youth life.
Cooperating among e-Sports actors in Korea.
- gamer, game team, government, league sponsor, academy, media, game developer, related institute, etc.
KeSPA History

First KeSPA inauguration

- 21C Progamer Association established (Pre KeSPA)
- Hanbit Soft Co., Ltd. took the Chief of KeSPA
- Ministry of Culture & Tourism Korea approved 'progamer registration system'
- Selected 9 official e-Sports games

1999 ~2001

E-Sports restoration period

- "Korea e-Sports association" ('02, KeSPA) established
- 21C Progamer Association (Pre KeSPA) changed
- Hosted "KPGA TOUR" with MBCgame
- 4 company pro game teams established
  - KTF MagicNsS, AMSUNG KHAN, Hanbit STARS
  - SK Telecom T1 ('04)

Second KeSPA inauguration

- SK Telecom took the new Chief of KeSPA
- United 'Pro-league'
- Launched Official referee system
- First KeSPA CUP 'KTF–Bigi Korea e-Sports 2006'
- Opened the first e-Sports Arena, ‘Yong-San e-Sports Stadium’ in the world

2002 ~ 2004

Establish foundation & globalization

- Hosted Korea e-Sports Award
- Hosted International e-Sports Symposium
- 11 company and 1 military pro–game teams established
- Hosted 'Ministry of Culture & Tourism Korea Cup
  - 1st National Amateur e-Sports Games.'

2005

2006 ~ now

- Housted 'KPAGTOUR'
- with MBGame
- 4 company progam teams established
  - KTF MagicNsS, AMSUNG KHAN, Hanbit STARS
  - SK Telecom T1 ('04)
KeSPA launched the integrated ‘Pro League’ in 2005 by combining ‘Ongamenet Pro League’ and ‘MBC Game Team League’.

- **SHIHAN Bank sponsored 6 mil $ on Pro League for 3 years** (‘07 ~ ‘10).
- Media coverage enlarged from 1 CATV to **2 CATV and 6 new media channels**.
  : CATV (Ongamenet, MBCgame), internet TV (GOM TV, Pandora TV), internet portal (Naver, Daum), IPTV(HANA TV), Satellite DMB(TU media)

Now, ‘Pro League’ became the largest and most popular e-Sports league in Korea.

<table>
<thead>
<tr>
<th>Year</th>
<th>Teams</th>
<th>Sponsor</th>
<th>Host</th>
<th>Media</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>✓ 11 Pro teams joined – 3 company teams and 8 club teams</td>
<td>✓ KTF EVER, ✓ NEOWIZ PIMANG Mobile, internet Co.</td>
<td>✓ Ongamenet</td>
<td>✓ Ongamenet</td>
</tr>
<tr>
<td>2004</td>
<td>✓ 11 Pro teams joined – 5 company teams and 6 club teams</td>
<td>✓ SKY : mobile phone terminal</td>
<td>Ongamenet</td>
<td>✓ ’04 Ongamenet</td>
</tr>
<tr>
<td>2005</td>
<td>✓ 11 Pro teams joined – 10 company teams and 1 club teams</td>
<td>✓ SKY : mobile phone terminal</td>
<td>KeSPA</td>
<td>✓ ’05 Ongamenet &amp; MBCgame</td>
</tr>
<tr>
<td>2006</td>
<td>✓ 12 Pro teams joined – 11 company teams and 1 military team</td>
<td>✓ SHIHAN Bank '07 ~ ‘10</td>
<td>KeSPA</td>
<td>✓ Ongamenet &amp; MBCgame</td>
</tr>
<tr>
<td>2007 ~</td>
<td>✓ 2 CATV ✓ 2 internet TV ✓ 2 internet portal ✓ 1 IPTV &amp; ✓ 1 Satellite DMB</td>
<td>KeSPA</td>
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<td></td>
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</tbody>
</table>
In 2007 season, ‘SHIHAHAN Bank Pro League 2007’ was newly launched. ('07. 4.14) (cf. SKY Pro League '04 ~'06)

‘SHIHAN Bank Pro League 2007’ changed the way of Pro League in contrast to before.

- Teams increased (12 teams entered), match-up number doubled (2 round full league), cash prize upgraded, new rules adopted, new 6 media channels entered.

<table>
<thead>
<tr>
<th>Period</th>
<th>Apr. 14 in 2007 ~ Jan. 26 for 10 months</th>
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</table>
| Composition | ✅ 1 Round (Apr. ~Aug.), 1 round Final (Aug. 4 in 2007)  
✅ All-Star Matches (Sep. 25 in 2007),  
✅ 2 Round (Sep. ~Jan. '08), 2 Round Final (Jan. in 2008)  
✅ Grand Final (Jan.) |
| Wrap-up | ✅ 12 Teams entered (11 company teams and 1 Korea Air Force team)  
✅ Live broadcast relayed on 5 weekdays (Sat. Sun. Mon. Tue. Wed.)  
✅ Total 300,000 $ cash prize  
✅ Total 264 match-up (22 match per team, 2 round) during 2007 season (doubled than '06)  
✅ Introduced official e-Sports PC on all match-up (SAMSUNG e-Sports PC)  
✅ Introduced new rules (5 minute PC setting time limitation, match-up entry open before 48 hours)  
✅ 2 CATV (Ongemenet, MBCgame), 2 internet TV (GOM TV, Pandora TV), 1 IPTV(HANA TV)  
2 internet portal (NAVER, Daum) and 1 satellite DMB (TU media) channel broadcasting |
Professional Game Teams

- **12 Pro-game teams** are participating in “SHINHAN Bank Pro League 2007” now.
  (11 Company teams and 1 Military team)
- Most pro-game teams are **investing on average 1.5 mil $** to operate their team per year.
  - ‘company brand PR effect’ is 7 times higher to the cost.

### Professional Game Teams (’07)

<table>
<thead>
<tr>
<th>Year</th>
<th>Company/Team</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999</td>
<td>KTF MagicN’s Telecommunications</td>
</tr>
<tr>
<td>2000</td>
<td>Samsung KHAN Digital Media</td>
</tr>
<tr>
<td>2001</td>
<td>Hanbit Stars Game Development</td>
</tr>
<tr>
<td>2004</td>
<td>SK Telecom T1 Telecommunications</td>
</tr>
<tr>
<td>2004</td>
<td>PANTECH EX Mobile phone terminal</td>
</tr>
<tr>
<td>2006</td>
<td>LECAF OZ Sports Fashion</td>
</tr>
<tr>
<td>2006</td>
<td>MBCgame HERO e-Sports CATV</td>
</tr>
<tr>
<td>2006</td>
<td>CJ ENTUS Entertainment &amp; Glossary</td>
</tr>
<tr>
<td>2006</td>
<td>Ongamenet SPARKYz e-Sports CATV</td>
</tr>
<tr>
<td>2006</td>
<td>eSTRO International e-Sport organizer</td>
</tr>
<tr>
<td>2007</td>
<td>Airforce ACE Korea Air Force</td>
</tr>
<tr>
<td>2007</td>
<td>STX Soul Ship Build &amp; Trade</td>
</tr>
</tbody>
</table>
Systematic pro-gamer management

- KeSPA runs ‘pro-gamer registration system’, ‘official pro-gamer draft system’ and ‘courage match’ to pick up pro-gamers systematically.
- KeSPA open ‘courage match’ 10 times per year.
- Each pro-game teams have 15~20 pro-gamers and choose their team members through ‘official draft system’
  - Started ‘official pro-gamer draft system’ in 2005 and do it 2 times per year.

Change in number of registered Pro Gamers

Courage Match Spot at PC room
Media coverage

- 2 CATV (Ongamenet, MBCgame) cover 24 hours everyday.
  - 6 major daily sports papers, 2 digital papers, 2 game magazine, 14 web magazine
- New media competitively joined to cover e-Sports
  - Internet TV (GOM TV ’06.10, Pandora TV ’07.6), Satellite DMB (TU media ’07.4), IPTV (HANA TV,’07.4), online portal (DAUM ’07.6, NAVER ’07.6).
- 28 mil people (live 17 mil, VOD 11mil) watched Pro–league during 3 months(‘07.4~7) with GOM TV.
Many major world media introduce and cover Korea e-Sports & Pro League.

- LA Times “Gamer is royalty in South Korea” (07.3)
- NY Times “The Glee of South Korea Game’s Sequel is Announced” (07.4)
- Japan Yomiuri Newspaper and NHK BS1 reported Pro League (07.7)

Online media
- gotfrag.com, ggl.com, amped.com etc.
In Dec, ’05, the first e-Sports dedicated arena ‘Yong-san e-Sports Stadium opened in the world. Pro League matches held five days per week at main stadium, and many other e-Sports leagues, amateur e-Sports tournaments held at second arena. Average 3,000 spectators every week.

Outline

<table>
<thead>
<tr>
<th>Size</th>
<th>1117.4m² Main arena – about 500 seats, 2nd arena – 64 seats</th>
</tr>
</thead>
<tbody>
<tr>
<td>Use</td>
<td>SHINHAN Bank Pro League Matches and Armature Match</td>
</tr>
</tbody>
</table>

SHIHAN Bank pro-league 2007 (Main Arena) 2nd Arena
### e-Sports biz. model

#### 4. New media combination

**e-Sports channel diversification**

- **I.E.G (International e-Sports Group)** bought right to broadcast Pro League from KeSPA for 3 years.
- Now, 2 e-Sports CATV and 6 new media channels are broadcasting Pro League everyday.

<table>
<thead>
<tr>
<th>Media Type</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>CATV</td>
<td>2 CATV Ongamenet and MBCgame broadcast Pro League 5 days every week. and many other e-Sports games relay for 24 hours.</td>
</tr>
</tbody>
</table>
| Internet TV  | GOM TV relayed e-Sports leagues from Sep, 2006  
  - Stated to relay SHINHAN Bank Pro League 2007 from Apr. 2007.  
  - Covering many kind of e-sports leagues in 2007.  
  Pandora TV relayed Pro League from June, 2007. |
| Internet Portal | The best Korea internet portal NAVER and Daum participated as e-Sports channel in June, 2007. |
In 2007, GOM TV began to broadcast SHINHAN Bank Pro League. During 14 weeks (April ~ July), about 28 million people watched Pro League.
- **Live** 17 million, **VOD** down 11 million
- On average 2 million people watched SHINHAN Bank Pro League with GOM TV every week.
- Instant web connection number sometimes more than 0.1 million.
- ‘Sponsor’s Brand PR effect’ is more than 4 million $ estimate.

- The best 2007 Pro League VOD record
  - Boxer (Air force) vs sAvoir (CJ)
  - 0.4 million for 3 days at VOD downloading record
Big event gather big crowd

- Pro League 1\textsuperscript{st} Round Final matches gathered big crowd in 2004 ~ 2007.
  - 2004: 100,000 spectator record
  - 2005: 120,000 spectator record
  - 2006: 40,000 spectator record
  - 2007: 70,000 spectator record

- Every summer, Pro League 1\textsuperscript{st} Round Final match held on the beach. (Gwang-an-li, Busan)
e-Sports fan culture

- e-Sports became the most popular typical culture of youth in Korea.
  - Many 10 ~ 20 youth generations come to e-Sports stadium with friends, sweetheart or alone.
  - 30~40 light old generations come to e-Sports stadium with children.

- After Pro League launch, cheering type is changing.
  - Team supporters enlarged and cheer their teams.

Pro game Team Fan Clubs ('06)

- SK Telecom T1 – 1,000,000
- KTF magicNS – 750,000
- Pantech EX– 700,000
- CJ ENTUS – 600,000
- Hanbit Stars – 600,000

e-Sports fans for generations
**Business field expansion**

  - SAMSUNG DIGITAL MEDIA provided official e-Sports PC to KeSPA (’06)
- KeSPA trying to make new business field to use ‘pro gamer & pro game team’s characterizing right’.
- Many sports wear, drink companies are joining e-Sports biz., field
  and sponsoring Pro Game teams. (sponsoring scale about 0.1 mi $ ~ 0.2 mil $ per year.)
Anytime, anywhere with e-Sports

- e-Sports infra, e-Sports channel diversification and new biz field are creating new ‘sports marketing filed’ in Korea.
- In Korea, e-Sports became ‘wannasee, wannado, wannabe’ sports.
- 18 mil youth & light old people watch and play e-Sports anytime, anywhere for 24 hours.
- Many companies pay attention to e-Sports.