Business Analysis and Opportunity Prediction of the Chinese E-sports Industry

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Abstract: Since the emergence of e-sports in China in 1998, it has experienced ups and downs in its development and entered a golden age. As an emerging industry in the 21st century, it has great potential for development. The topic of this paper is to study the business analysis of China's e-sports industry and forecast future opportunities. Through literature research, this paper analyzes the disadvantages of Chinese e-sports market industry chain, club business model and public opinion cognition, and puts forward future opportunities, namely development direction. To provide the future development direction for China's e-sports market, and to provide ideas for young people with relevant majors and dreams, that is, to vigorously promote the training of e-sports talents; The government released policies to support industrial development; Improve the industry chain related to electronic competition; Change people's cognitive concept, vigorously develop the e-sports industry. For e-sports industry to obtain better development in the new era, gradually develop to become one of the economic pillars of our country.

Keywords: Chinese e-sports industry, business analysis, industrial chain, opportunity prediction

1. Introduction

China's e-sports industry has become a growth point of the national economy and has been widely concerned by all parties in society. E-sports have been booming in China since 1998, when they were widely spread in the country and were pursued by millions of young people. Despite the impact of public opinion, the Chinese e-sports industry still receives strong support from the government and capital due to its excellent performance in world competitions. Nowadays, China's e-sports industry has the largest audience in the world, and it is a commercial market with a broad scale and unlimited potential. After years of development, China's e-sports industry has changed from not being understood many years ago, thinking that engaging in e-sports industry is not serious work and not being appreciated by others, to now the e-sports industry is chosen by more young people, which contains huge benefits. China's e-sports industry enjoys the vast market size while being positively influenced by the virtual economy and digital economy. At the same time, the current e-sports industry is clearly defined as a consumption-led fitness and leisure project, which is a combination of information technology and modern sports, and a new sports project in the era of networks. In recent years, the e-sports industry in China has developed very fast, but there are still some problems to be studied and discussed. This study is based on the development status of China's e-sports industry to analyze the future development of China's e-sports industry, trying to find e-sports market business language development and related based on a forecast. This study will use literature research to analyze the problem. Firstly, a variety pieces of literature are selected to analyze the commercial

development of e-sports in China. Secondly, drawbacks of the development are found. Finally, suggestions are put forward and reasonable predictions are made according to the drawbacks found.

2. The Disadvantage of the Chinese E-sports Industry and Corresponding Suggestions

E-sports is based on e-sports games, with hardware and software equipment as the core of information technology as the equipment. In the virtual environment created by information technology, e-sports is becoming a new kind of sports competition with unified competition rules and fair competition under the protection of rules. Data show that China's e-sports industry scale reached 98.22 billion yuan in 2019, surpassing North America and taking the top spot in the global e-sports market rankings. The e-sports market is predicted to reach 109.56 billion yuan in scale by 2020, breaking beyond 100 billion yuan for the first time. In today's competitive e-sports market, the circle outside the circle is keenly felt [1]. Consequently, despite the fact that e-sports have developed quickly in China, the industry as a whole is still experiencing "fame has arrived but reality has not returned" because of the impact of low social awareness [2].

2.1. Factors Affecting the Commercial Development of China's E-sports Industry

The operation mechanism of the club is not sound. The unsound operation mechanism of e-sports clubs has affected the shortage of employees in China's e-sports industry. E-sports club is a sign of the professionalization and specialization of e-sports games. It is the organization where e-sports athletes are employed when they make a living from e-sports games. Although China's e-sports industry is booming, it still has shortcomings compared to the operating model in South Korea, the United States and other countries. China's e-sports club operation mechanism is not perfect, mainly divided into talent selection and business model reform. First, the selection of professional e-sports players values age, mentality and their own strengths. China is not short of talent, but it lacks a mechanism to select them. Most Chinese e-sports players are chosen either because they are particularly high in the game, or because they try out for their respective clubs. However, such a selection of professional players does not guarantee that when they actually participate in the competition, they will be able to play as well as they should. Therefore, it will cause the Chinese e-sports field cannot to guarantee the advantage of the game. Nowadays, most e-sports players in China are still supported by early well-known players, and new e-sports players are unable to play their own fame in the competition, resulting in a situation of stagnation in China's e-sports. E-sports, a brand-new, highly competitive sport, can help athletes improve their coordination, reaction, and thinking skills while also cultivating a sense of camaraderie and collaboration throughout practice and competition [3]. Second, business model reform. China has a large number of e-sports clubs, but due to the variety of e-sports competitions, e-sports players are scattered, and some games cannot assemble complete teams. In addition, e-sports clubs in China mainly rely on individual capital for investment, so the clubs will lack enough resources to establish their own regional home stadium, and cannot have corresponding measures and charging items like other sports. Moreover, most clubs have poor management quality, unscientific management and lack of contract protection for players, so they can only rely on the number of games won to get the prize money and corresponding share.

Compared with European and American e-sports clubs which are jointly invested by multiple sports giants, Chinese e-sports clubs are particularly lacking in relevant experience. At the same time, because the main core of the e-sports club lies in the e-sports player of the team, the mechanism of asset transaction, that is, the transfer of players is not perfect. Small clubs cannot rely on training quality players to earn transfer fees, so large clubs have to spend more time and energy on training second - and third-tier teams to select excellent players, which greatly increases the cost of time and money. At the same time, the lack of commercial packaging makes world champions unable to attract

as much attention as world champions in other sports. In turn, few commercial activities and endorsement activities invite e-sports champions to participate, which makes people less aware of the field of e-sports. Most e-sports organizations rely solely on investors who provide money as a pastime to stay alive. When there was no regulation for sponsor selection in China's e-sports business, e-sports clubs and events did not choose sponsors in a responsible or professional manner. If the players' bonus is not paid out as promised, their interests cannot be guaranteed, they will lose interest in competing, which could possibly cause turmoil, and the public won't pay attention to the competition. The competition dilemma will result from such a vicious cycle. This directly contributed to the club's demise and the team's dissolution. Because the business model is not standardized, there is a larger funding disparity between amateur and professional teams [4].

The e-sport industry chain is incomplete. The incompleteness of China's e-sports industry chain leads to major hidden dangers in the development of China's e-sports industry. Although China's e-sports development time is early because of some policies and quiet for a while. Now the lifting of the ban, more and more people began to pay attention to and participate in the e-sports industry, especially with the influx of a large number of capital and the support of relevant national policies, resulting in the rapid development of China's e-sports industry. But it also leads to a problem, that is, the industrial chain of China's e-sports is not perfect, including the education system, competition system and communication supervision. First, is the education system. Nowadays, although there is an e-sports industry in China, a large number of students are reluctant to engage in related-sports-related careers after graduation due to the lack of pertinent-oriented courses and few field studies. And e-sports professionals lack teachers, relevant educational experience, and social bias for e-sports so that many people refuse to enter professional e-sports. Most of the students trained by e-sports are oriented towards auxiliary training, that is, interpretation, coaching and other professions to train. Most professional players show their talent early and are found and signed by the relevant club staff. More creative thinkers are needed in the development of e-sports pros. It should be highlighted that some university and college students still have too little interdisciplinary, cross-field, and cross-boundary knowledge reservoir and capacity, which is influenced by a variety of circumstances [5]. Second, is the tournament system. Events are the engine and incubator of industrial development, just as traditional sports such as football and basketball rely on a variety of perfect event systems to attract more fans and gain economic benefits from tickets, broadcast rights, derivatives, advertising and so on.

There are very few professional events in China, and many of them are limited to a few other places, such as Shanghai, and the variety of events is uneven. The lack of coordination of relevant industry associations, the cooperation of various local clubs and the input of various manufacturers and operators, resulted in the level of the competition system being very unclear, the rules of the competition are also different, lack of unity, is not conducive to the healthy development of the e-sports industry. Third, is communication regulation. Every event needs to be disseminated, operated and regulated, and just as basketball needs to build and market players' personal images, e-sports also needs to develop a healthy environment for development. The rules of the domestic e-sports industry are unclear, and all kinds of vicious events make people more biased toward e-sports. In addition, the quality of the most famous anchors in China is not good, and some contestants do not know how to build a public image. The negative news is endless. Anchors and players in the live broadcast export into the dirty, unauthorized breach of contract and other cases occur frequently, these behaviors seriously damaged the external image of the e-sports industry, so the public misunderstanding of e-sports.

2.2. The Impact of Social Cognition on the Development of the E-sports Industry

The mainstream cognition of Chinese society is biased against the e-sports industry, which hinders its healthy development. E-sports are imported products, from abroad into the domestic. Because in the early years of e-sports public opinion guidance did not guide, there are some people addicted to playthings lost their ambition, so people have a strong bias and misunderstanding of e-sports. Coupled with today's advances in information technology and related facilities, everyone has electronic devices to play games. Many parents cite gaming and poor or declining grades as evidence that gaming is the new opium. Since then, public opinion has been an attitude of suppressing and hindering the development of e-sports. Therefore, when it comes to e-sports, the majority of people will naturally perceive it as an online game that draws teenagers to become addicted to it, hinders their ability to advance, requires significant time and financial investment, and may even result in juvenile crime. It is a terrible illness that can hinder teenagers' ability to grow normally. The development of e-sports and the e-sports sector is significantly hampered by this misconception between e-sports and online games [6]. Although nowadays the country vigorously requires the development of the e-sports industry, the mainstream values of the society still have a wait-and-see, critical attitude toward e-sports. The formation of such public opinion is not conducive to the healthy development of the e-sports industry but will cause a major blow to the entire industry. In addition, the external image of e-sports anchors and players is not good, and most of them are negative in their personal operation, which leads to the Chinese society's attitude toward the practitioners and players in the field of e-sports.

2.3. Improve E-sports Market Management Issues

Establish personnel training within the industry, establish a corresponding qualification assessment system for alliances or associations, and promote practitioners to actively improve their management experience by issuing qualification certificates to personnel with corresponding abilities [7]. Three perspectives can be used to consider the future of e-sports education: the first is the transfer of professional talent to the e-sports industry through higher education; the second is professional development for e-sports practitioners (non-academic education); and the third is the investigation of e-sports education implementation in junior and senior high schools [8]. In order to continuously reserve professional e-sports club professional managers. Diversified ways to build a professional manager talent market. Establish the concept of "human capital" market for professional e-sports clubs. E-sports clubs should strive to improve their performance and establish a solid foundation. The key to standardizing the operation and management of e-sports clubs is the construction of a comprehensive set of tight management procedures, covering recruiting, selection, education, training, competition, diet, work, and rest, as well as a reasonable matching supervisory mechanism. In order to enable talented people to find a platform to fully express their talents and address some professional issues through standardized selection and training mode, it is also necessary to establish a reasonable player training mechanism, learn from the operation mode of the NBA draft system in the United States, and ensure the smooth metabolism of human resources [9]. Hiring professional personnel to strengthen commercial operations, it will actively guide the capital market to increase the injection of funds to professional e-sports clubs, help clubs enrich the structure of property rights, improve the status of clubs in the whole industry and enhance the right to speak. The club organizer should let go of the strong control of the club, the initiative to disperse ownership, to enhance the confidence of the capital market.

2.4. Improve the E-sports Market Industry Chain

On the basis of the existing e-sports specialty, the industry should supplement knowledge education more deeply. At the same time, theoretical knowledge is combined with practical training, so the e-sports practitioners can get all-around training and better improve their professional quality. In the process of discipline system construction, not only should the transformation of e-sport majors from scholars to practitioners and the sustainable development of individual careers be given high priority, but also the relevant industry associations should be coordinated to improve the management system of clubs and competitions. Manufacturers and operators should invest more to launch more high-quality competitions. The e-sports industry should make multiple efforts to form a tournament system from top championships to national leagues to secondary leagues and even commercial tournaments. And on this basis, we should improve the e-sports industry chain and further develop the e-sports live streaming platform and the derivative product's sales based on the game. Build e-sports industry brands, aid in the development of global top e-sports brands, and develop regional competitive brand features. We'll reinvent the structure and operation of e-sports tournaments, actively promote and develop the best e-sports organizations at home and abroad, and encourage participation in regional, national, and global e-sports events. Encourage the growth of professional forums, exhibitions, and other forms of professional communication in the e-sports sector with international sway, host and establish international e-sports events, and foster a positive and healthy environment for e-sports events [7]. The e-Sports industry needs to establish a positive image in the minds of all Chinese people. It needs the support of the government and manufacturers to spare no effort to create more word-of-mouth e-sports. It also needs the active guidance of relevant live-streaming platforms and media opinion to create a benign development environment.

2.5. Coordinate the Cognitive Views of Public Opinion

Therefore, people should not only actively shape the positive image of e-sports and face up to the positive value of e-sports for the people, but also do a good job of safeguarding measures. So that young people can play the game reasonably and effectively and learn the importance of teamwork from the game. It is necessary to strengthen the salary level of e-sports practitioners and change the prejudice of parents that playing games is not promising and cannot earn money. Relevant associations, clubs and companies should create and market the image of anchors and players to the outside world, while also reinforcing the concept that e-sports games are also sports and can win glory for the country. We should promote the positive guiding role of e-sports, carry on the positive energy of e-sports, correct the unfavorable internal environment of e-sports, improve the rules and regulations of e-sports, and ensure that e-sports continue to develop healthily and play a significant role in the structure of our sports industry [10].

3.   Conclusion

Through the research, this paper discusses and analyzes the business model and some problems of the commercial development of China's e-sports industry, and according to these problems to put forward some suggestions for the development opportunities that may appear in the future. The development of electronic sports industry as a whole has a great potential. The industrial scale of electronic sports, industrial chain development, professional progress, orderly and steady development, electronic sports in the future will become a new pole of our sports industry. In the development process of the e-sports industry, although there are still some problems in the industry chain, professionalization and e-sports games, but this is also inevitable in the early stage of the rise of the e-sports industry. The problem of e-sports in China is caused by a variety of reasons, among which is the obstruction of parents to the development of e-sports. This group believes that e-sports

is not a serious profession and has no role in social development. But, in fact, e-sports can provide young people with a new way of thinking about employment, and it can also help China win glory in international e-sports. It provides suggestions for the future development route of China's e-sports market and enlightenment for the employment direction of Chinese e-sports students.

At the same time, today's e-sports field is also a means to export culture and values, is another way to show the comprehensive national strength. It can make more and more people change their view of e-sports and participate in it. Let e-sports be a new growth point of our economy, bring different sports patterns for the whole nation. The development of e-sports industry can also promote the progress of science and technology. e-sports rely on advanced electronic equipment to compete, so there will be a huge development of technology in the field of electronic equipment and virtual equipment. These technologies can not only be used in the field of e-sports, but also can be used in People's Daily life. The limitation of the current literature research is that there is no case study in the market, and the research only relies on others' literature. The development trend of China's e-sports market in the future can correspond to my suggestions, and the subsequent research can be derived and developed along with my suggestions. China will certainly become a global e-sports power in the future, with the leading edge in science and technology, and the spiritual life of the people will be improved.

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