



Alberta Esports Strategy

Final Report

August 2022



Note to reader

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Observations are made on the basis of economic, industrial, competitive and general business conditions prevailing as at the date hereof. In the analyses, we may have made assumptions with respect to the industry performance, general business, and economic conditions and other matters, many of which are beyond our control, including government and industry regulation.

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We believe that our analyses must be considered as a whole and that selecting portions of the analyses or the factors considered by it, without considering all factors and analyses together, could create a misleading view of the issues related to the report. Amendment of any of the assumptions identified throughout this report could have a material impact on our analysis contained herein. Should any of the major assumptions not be accurate or should any of the information provided to us not be factual or correct, our analyses, as expressed in this report, could be significantly different.

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Executive summary

Esports as an economic growth catalyst in Alberta

Background and Objectives

Esports, a competitive form of gaming, has experienced **notable growth** in recent years and is **forecasted to grow even more**. Global communities are increasingly becoming involved to capitalize on the economic and social opportunities that the industry presents.

Esports was mentioned upon in a 2019 study commissioned by Calgary Economic Development - [Calgary's 2019 Video Game and Immersive Technology Strategy](#). As esports continues to **become a unique platform** for building community, connection and commercial opportunities, organizations across Alberta mobilized to better understand how the province's esports ecosystem could become a leader.


Calgary Economic Development and the Edmonton Screen Industries Office along with Tourism Calgary, Explore Edmonton, Edmonton Global and the Alberta Esports Association engaged Deloitte to support the development of the esports ecosystem strategy, with particular focus given to the role of esports in **economic development, sector diversification, and growth**.

The esports strategy is intended to:

- Identify the key pillars for an esports ecosystem
- Identify the right stakeholders to involve moving forward
- Assess the current 'state of play' in Alberta
- Identify transformational esports opportunities in Alberta
- Outline a roadmap that creates alignment across all stakeholders
- Highlight how Alberta can be globally competitive within esports



Esports is a rapidly growing industry and a serious economic opportunity



What is esports?

Esports is an umbrella term used to describe any form of **competitive video gaming**. This often includes elements of:

- Competitive play for prizes or money
- Infrastructure supporting leagues and tournaments
- An active and involved community
- Large offline and online audiences



The Esports Industry

The **Esports Industry** sits at in global revenue. **\$1.1B**

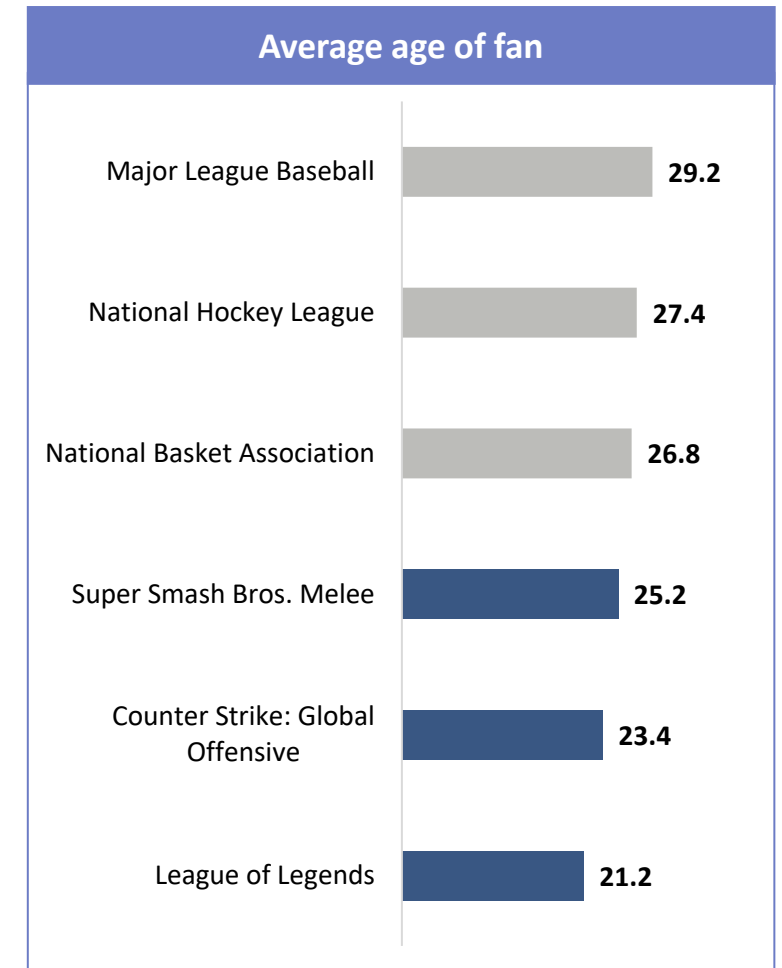
- **YoY growth of 15.7%**
- The esports audience is expected to grow to **495.0 million people** in 2020 (a YoY growth of 11.7%).

Esports is a subset of the global **Video Game Industry**, which generated from the global gaming market in 2020. **\$175B**

- **9.3% YoY increase.**
- The industry is forecasted to grow to **~\$218B USD by 2024.**

- Esports fans trend **noticeably younger** than sports fans, and this trend is set to increase (see Figure 1)
- Gaming and esports is becoming **Millennials and Gen Z's entertainment of choice**, as they spend more time watching and playing games than they do on social media or streaming movies/TV.
- League of Legends 2019 Finals drew in just under **100 million unique viewers, earning more viewers than the Superbowl**
- Over **\$3.3 billion has been invested** into esports-related start-ups since 2013

Figure 1



Esports presents a variety of benefits to Alberta

Esports in Alberta can...



- **Bolster tourism** through local, provincial and international events
- Enable passionate Albertans **to pursue rewarding esports careers** within the province
- Enable post-secondary to **increase recognition and attractiveness** among prospective talent
- Build momentum around Alberta's **digital transformation** including the introduction of 5G and cloud computing
- Bring **new opportunities for emerging technologies and experiences** like virtual reality
- **Engage and excite younger generations**

All stakeholders involved in the research and consultations that helped inform and shape this report, regardless of sector and role, shared a **palpable enthusiasm and excitement** for the opportunities esports provides.

There is a **unanimously emphatic desire** to grow the esports industry within Alberta **to be competitive with other notable regions around the world.**



Esports can achieve many of Alberta's economic goals

Labour market  <ul style="list-style-type: none"> • Create sustainable and high-quality jobs at the provincial level • Fill the lack of in-demand skills across STEM fields • Become a leading destination for top talent to drive the growth of skills, ideas and innovations, locally and globally 	Investment  <ul style="list-style-type: none"> • Attract, retain and expend investment in Alberta • More FDI deals and increase value-added economic activity 	Educational programs  <ul style="list-style-type: none"> • The right focused educational programs to produce talent • Improve access and student experience 	Tourism  <ul style="list-style-type: none"> • Attract, enhance and promote premier experiences and events • Increase tourism activity to promote job and economic growth
Innovation  <ul style="list-style-type: none"> • Alberta's innovation ecosystem is optimized to support economic growth • Alberta is recognized globally as a leading innovation engine • Leverage the digital infrastructure and innovation ecosystem in Alberta to connect research, education and technology 	Globalization  <ul style="list-style-type: none"> • Increase internationalization of the regional economy • More livable city that will attract and keep young professional and students 	Business enablement  <ul style="list-style-type: none"> • Create a more business-friendly environment to attract companies • Create condition for growth and diversification of Alberta's primary and emerging industries 	Tech and media ecosystem  <ul style="list-style-type: none"> • Increase competitiveness of the region • Accelerate and broaden the use of innovative products, technologies and processes

In addition to the listed economic goals and objectives, **esports is uniquely positioned to help further aid, support and catalyze existing provincial strategies in the areas of diversification, digital media, innovation and beyond.**

Note: The list of objectives is not exhaustive. When reviewing Alberta's economic objectives, these objectives were prioritized in the context of this project.

Esports as an engine for economic development

Esports' economic impact can be both static and dynamic. Economic growth can be generated directly through spending or jobs creation, but it can also originate indirectly through dynamic impacts catalyzed by the esports industry.

STATIC IMPACTS



DYNAMIC IMPACTS



Esports has an Impact on the Economy through Spending

Spending by consumers, fans and sponsorships have a direct impact on the economy, through GDP contribution, labour income, job creation and tax income.



Growth in the Esports Industry Can Support Cluster Development

Sustained growth of the esports industry has the potential to help lead to the creation of a cluster, which will help Alberta's competitiveness in this industry.



Esports Acts as a Catalyst for Change for Other Industries

The esports industry, a confluence of technology, data, media, and 'next generation of consumer', can serve to catalyze change in how organizations in other industries operate.



Esports Fuels Elements of the Innovation Economy

Esports, as a platform, has the opportunity to fuel economic activity in the innovation economy.



Socio-economic Benefits Arise from Esports

By becoming a hub for esports, Alberta can become more competitive in the attraction and retention of talent and young people.

An esports ecosystem is supported by four key pillars

Esports ecosystem pillars represent the foundational building blocks (the ‘need to have’) from which a sustainable, flourishing esports ecosystem can grow and evolve.

Strong Grassroots Community



A **community of fans, competitors and organizers** who bring a scene to life through volunteerism and passion.



Which stakeholders are involved?

- Players, Consumers and Fans
- Esports Industry Association
- Local Tournament Organizers
- Educational Institutions
- Sponsors, Brands and Investors

Place(s) to Play



Destinations and events centered around gaming and esports that provide visibility, recognition and enable productive stakeholder collisions.



Which stakeholders are involved?

- Players, Consumers and Fans
- Venues
- Broadcast Studios
- Tournament Organizers
- Tournament Platforms

Talent Presence & Pipeline



Presence of **recognized talent**, as well as **developmental, educational and career pathways** linking to esports careers of varying kinds.



Which stakeholders are involved?

- Players, Consumers and Fans
- Esports Teams
- Educational Institutions
- Path-to-pro platforms
- Game Developers
- Government

Proper Partners



Organizations committed to monetary, talent and resource support of the esports and gaming scene.



Which stakeholders are involved?

- Players, Consumers and Fans
- Esports Teams
- Educational Institutions
- Sponsors, Brands and Investors
- Game Developers
- Government

Alberta has built momentum in developing its Esports Ecosystem

Strong Grassroots Community



- ✓ Well attended **weekly community tournaments**, garnering regular attendance of over 100+ competitors and attendees in varying regions; these events are more well-attended than others in jurisdictions across Canada
- ✓ Presence of **streamer, content creation and Twitch communities** including Twitch Calgary and Twitch Edmonton – supportive communities that help support and develop up and coming talent within the province
- ✓ Esports, as a platform within the province, has provided the opportunity for **multicultural community growth and participation** (through a plethora of community-oriented and competitive events), as well as online events crafted purposefully to be **inclusive of participants in all living contexts** (urban, suburban and rural)

Place(s) to Play



- ✓ Presence (or soon to be) of **technologically advanced arenas and stadiums**, many of which stand out as top-tier across Canada and North America
- ✓ **Growing quantity of large-scale esports competitions** and events, balanced with consistently well-attended provincial and municipal level events

Talent Presence & Pipeline



- ✓ Rapidly developing **intercollegiate esports structure** supported and developed by AESA in partnership with PSI's
- ✓ Large quantity of **credential and micro-credential gaming programs** creating an attractive talent pipeline for game development organizations

Proper Partners



- ✓ Presence of **large potential tech partners** such as Shaw and TELUS, as well as **traditional sports partners** such as the Flames and Oilers
- ✓ Growing presence of **financiers, venture capital activity, and startups** around emerging tech, helping make 2020 a record VC investment year for Alberta-based businesses.












Image from the 2020 Salt Flats event, a large annual esports event held in Alberta.



Image from a large Esports League exhibition event at TELUS Spark.

Alberta is home to a plethora of innovative and impactful organizations and institutions that have built early momentum and success in esports and gaming

Game Developers	Gaming Technology & Services	Post-Secondary Programs and Teams	Gaming Organizations & Institutions
<p>BioWare™</p> <p>Edmonton</p> <p>A subsidiary of publishing giant EA, BioWare has become known for their acclaimed console, PC and online role-playing games, focused on rich stories, unforgettable characters.</p>	<p> IMPROBABLE</p> <p>Edmonton</p> <p>Improbable delivers technology, expertise, creativity and services to help unleash the full potential of virtual worlds and the metaverse.</p>	<p></p> <p>Fort McMurray</p> <p>Keyano College offers a suite of ways to engage with esports, including their credential programs, competitive teams, and innovative venue.</p>	<p>Alberta is home to two non-profit associations built upon supporting immersive tech, gaming, interactive digital media, and digital entertainment in our province.</p>
<p>[beamdog]</p> <p>Edmonton</p> <p>Popular game developer known for bringing renowned titles new life on a wide variety of platforms.</p>	<p> unity</p> <p>Calgary</p> <p>Unity Technologies, best known for development of their game engine, has recently opened the doors to its new Calgary office.</p>	<p></p> <p>Calgary</p> <p>Mount Royal University offers an Esports Management program, while boasting one of the best esports teams in North America, and playing host to some of Canada's biggest esports events.</p>	<p>Digital Alberta and Interactive Arts Alberta continue to grow and expand their reach in this sector to ensure Alberta's IDM industry is well-supported.</p>
<p></p> <p>Edmonton</p> <p>Recently acquired by Tencent, Inflexion Games is rapidly gaining popularity as it prepares for the release of its much anticipated title <i>Nightingale</i>.</p>	<p> RED IRON</p> <p>Calgary</p> <p>Red Iron Labs is a virtual reality game, content, and platform company operating in the B2B and B2C sectors.</p>	<p></p> <p>Calgary</p> <p>In addition to esports education programs, SAIT offers students the chance to compete in e-leagues meant to foster competition, teamwork, and comradery in new ways.</p>	<p></p> <p>Digital Alberta</p> <p></p> <p>INTERACTIVE ARTS ALBERTA</p>

Alberta is home to 130+ studios, support services and institutions!*

* As identified by CED & ESIO

Other jurisdictions act as success stories to be inspired by

North Carolina: Dedicated Government Support

Esports entertainment holding company Subnation Media and the Greater Raleigh Convention and Visitors Bureau announced that Roy Cooper, the Governor of North Carolina, signed a new State Legislature budget which included a \$5m Esports Industry Grant Fund, which will be used to encourage esports events and productions in the state.

The grant will help impact the region and state's economic impact, whilst also being a 'blueprint for other government groups to model from in the future'. North Carolina is the first and only state in the United States to qualify and incentivise esports production, regardless of where it is incorporated.

Rep. Jason Saine, House Senior Appropriations Chair and lead supporter of the Bill, commented: **"This is not just about the esports competition and the gameplay, it's really about the opportunity to get all generations and groups involved in education and technology, and really fostering that as a way that we build a world-class workforce for the future and higher-paying jobs for everybody."**

As further evidence of clear government support, the state government has given North Carolina State University a \$16 million grant for esports-related development.

N.C. State's vice chancellor for information technology and chief information officer, Marc Hoit, was selected to spearhead the school's esports initiatives. He said esports can foster important skills in students who participate.

"The majority of the games and the competitions require great teamwork, great strategies, good communications, good planning," Hoit said. "[These are] things that we want all of our students to graduate with and all of our folks that go out into the business world to have."

The space won't be used for squarely esports either – it will also have the potential to provide a diverse array of educational opportunities for students in fields like STEM, psychology, health and training for competitive gamers, and event organization and production.



The main stage at the HCS Kickoff Major in Raleigh, North Carolina



N.C. State's Overwatch roster, considered to be one of the best in the country.

Alberta's esports pathways



Where Alberta can win in esports

Bolster events, travel and tourism



Esports events to increase travel and retention, build upon momentum from existing traditional sports affinity, and elevate Alberta's brand.

Modernize education and facilities



Modernize curriculum and facilities to attract, retain and develop the talent pipeline for the 'new economy'.

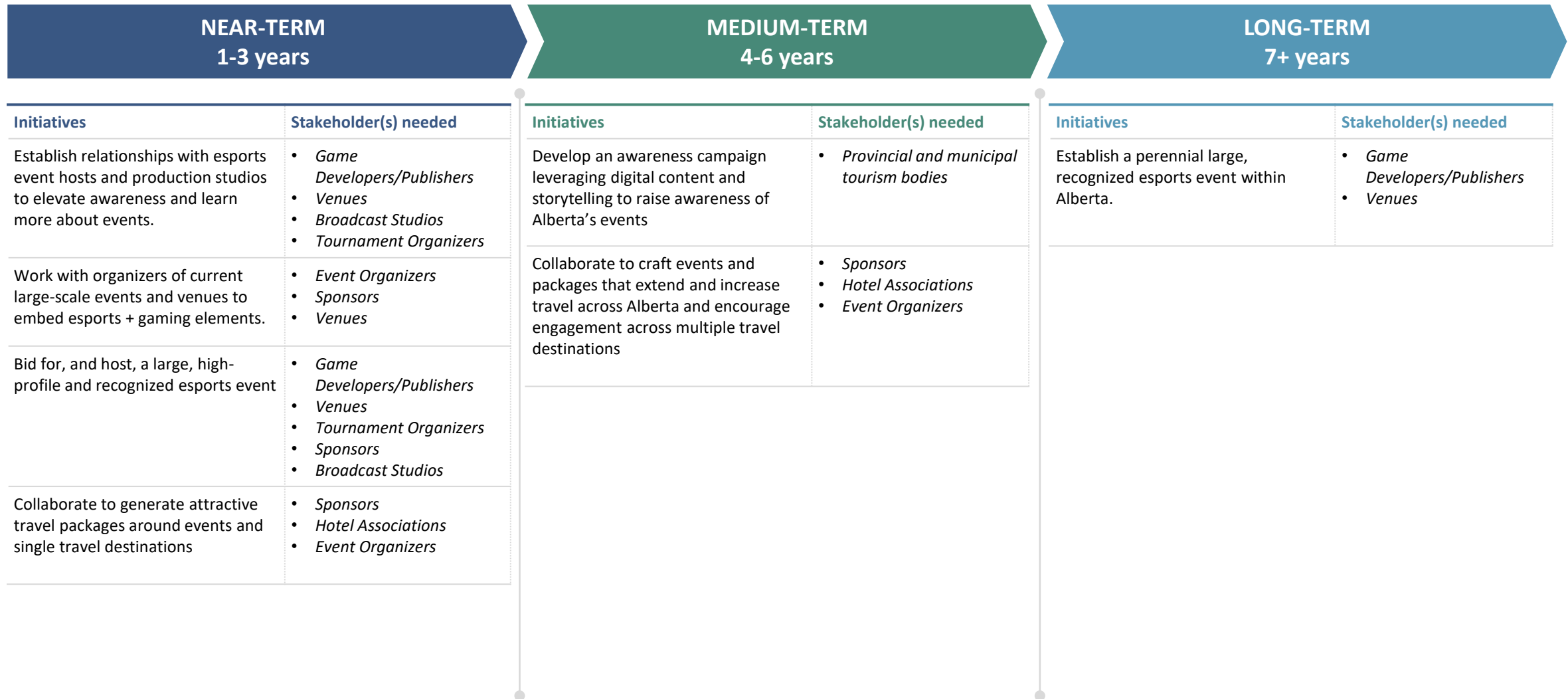
Enhance the Innovation Economy



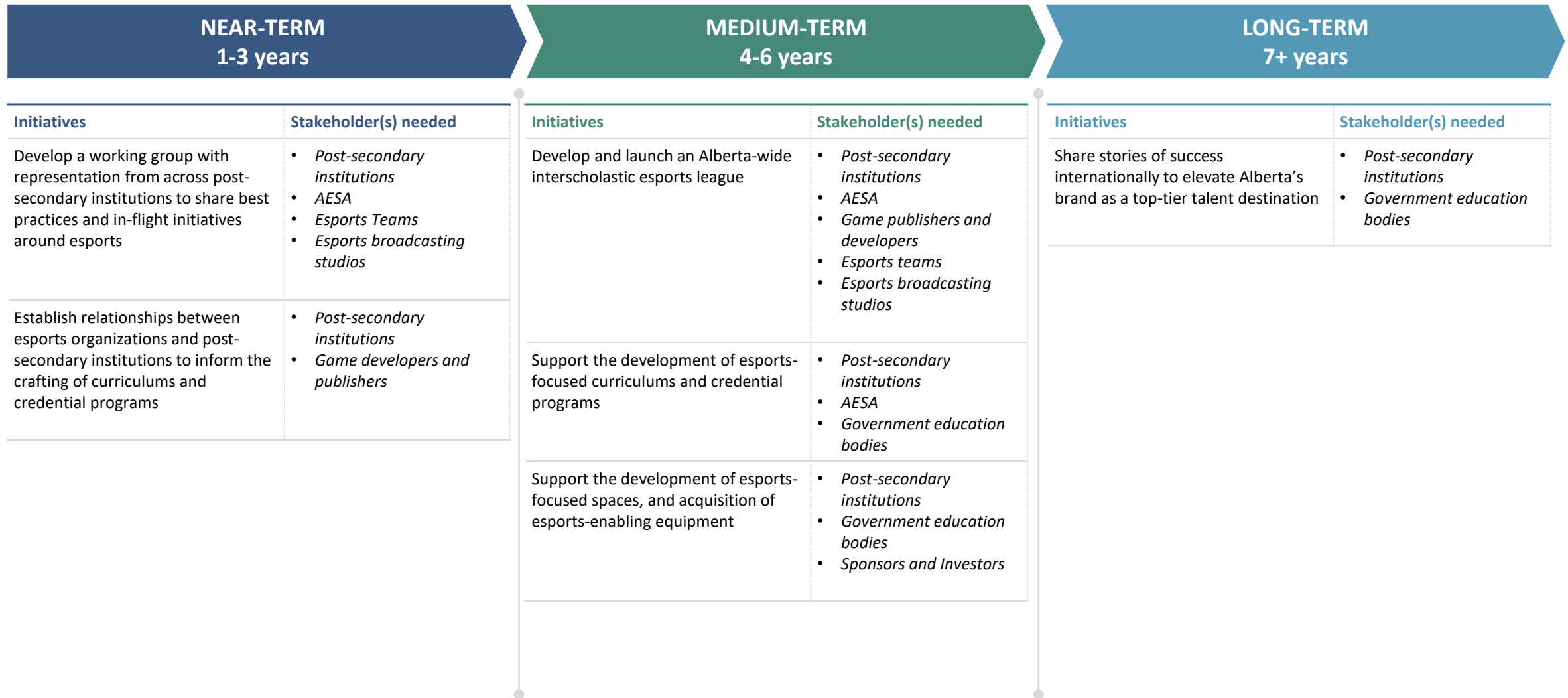
Esports engagement to build momentum in adjacent innovation industries and sectors.

Each path involves initiatives and benefits realized over varying time horizons, but these paths are not siloed; they are **interconnected areas of focus** that create **positive feedback loops**, driving more **successes and opportunities**.

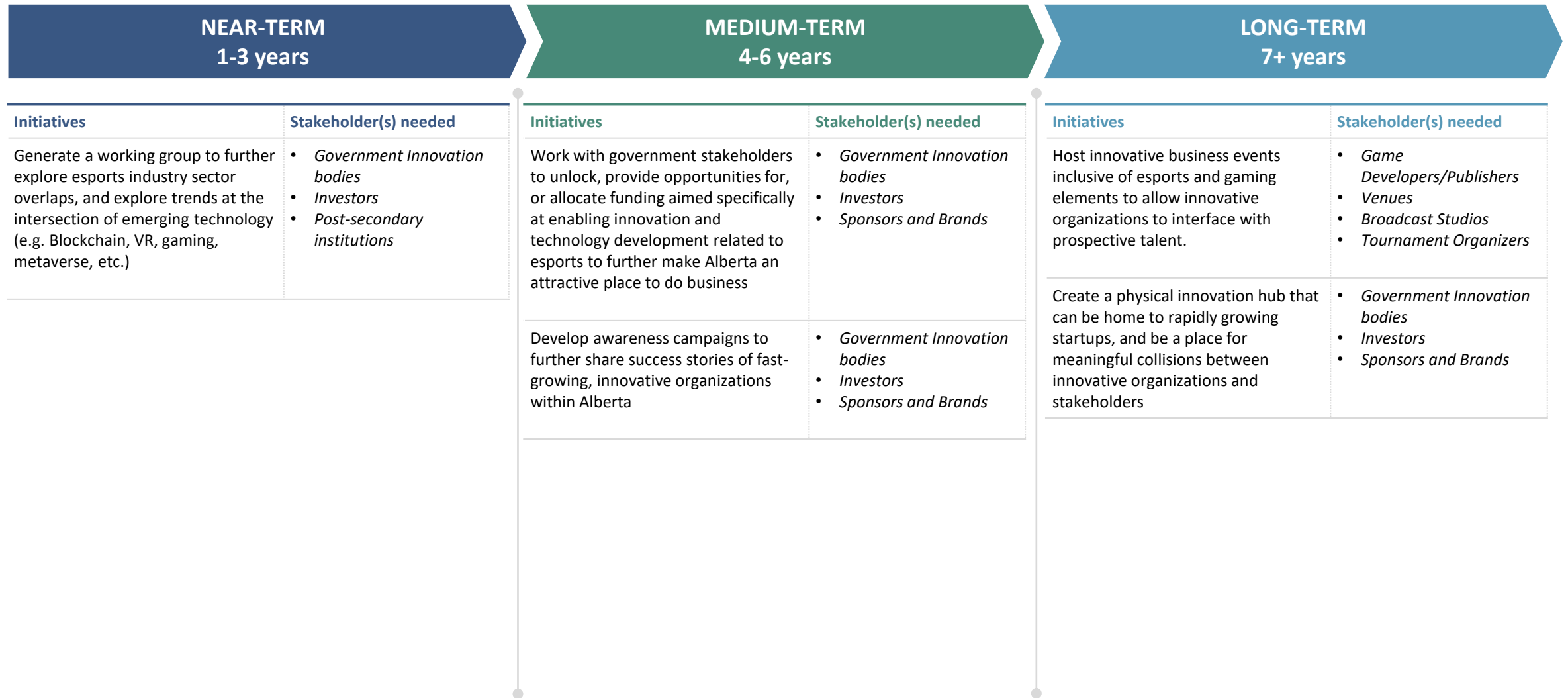
Esports can bolster events, travel and tourism



Esports can modernize of education and facilities



Esports can enhance the innovation economy



Section 1

The Emergence of Esports



An economic driver in the knowledge economy



Background

As is the case with many jurisdictions, the province of Alberta is intrigued by the economic and social possibilities presented by the evolving esports industry. Esports, a competitive form of gaming, has experienced notable growth in recent years and is forecasted to grow from ~\$1.1B USD in 2021 to ~\$1.6B USD globally by 2024.¹ It should also be noted that esports is a subset of the ~\$175B USD Video Game Industry, itself forecasted to grow globally to ~\$218B USD by 2024.²

Esports had been touched upon in a 2019 study commissioned by Calgary Economic Development, Calgary's 2019 Video Game and Immersive Technology Strategy, yet as esports has continued to prove itself as a unique platform for building community, connection, and commercial opportunities, multiple organizations across Alberta mobilized to commission an esports ecosystem strategy study.³

Calgary Economic Development (the "Project Manager") along with Edmonton Screen Industries Office, Tourism Calgary, Explore Edmonton, Edmonton Global, and the Alberta Esports Association (collectively with Calgary Economic Development the "Project Partners") engaged Deloitte to support the development of the esports ecosystem strategy, with particular focus given to the role of esports in catalyzing economic development, sector diversification, and growth.

Objectives

Our work draws on multiple types of analysis to achieve the following objectives:

- Present the key pillars, and relevant stakeholders, for an esports ecosystem;
- Assess the current 'state of play' in Alberta against both global esports jurisdiction and the esports ecosystem pillars;
- Identify foundational opportunities for Alberta to position the province as a leading esports ecosystem; and
- Develop an implementation roadmap to guide activity and alignment around a provincial esports strategy.

Esports has been identified as a sector for exploration in catalyzing Alberta's economic development objectives and sector diversification

Esports can help diversify Alberta's economy

The future vision for esports within Alberta involves:

- Leveraging esports as a way to attract more tourists, and bring people from outside the province and the country
- Enabling those passionate and interested in esports careers and related fields to pursue their profession without moving away from Alberta
- Aligning esports with the economy's broader digital transformation; along with new industries and new technologies
- Opening up the province to new opportunities with new technologies
- Esports reaching and engaging younger generations, a different demographic than traditional sports
- Fostering a large and supportive, strong grassroots community across the province
- Including esports in the design of the new spaces in the province
- Challenging stigma surrounding esports and gaming
- Achieving goals such as hosting local, provincial and international events
- Becoming recognized as a major esports hub, being on the leading edge for esports and the new technologies related to it



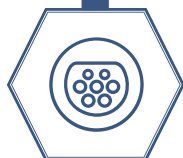
What is esports?



Esports is an umbrella term used to describe any form of **competitive video gaming**.

This often includes elements of:

- Competitive play for prizes or money
- An active and involved community
- Infrastructure supporting leagues and tournaments
- Large offline and online audiences



Events, tournaments and leagues range from large international championships, to grassroots community weekly tournaments, and take place online or in-person (Local Area Network [LAN]).

The **Esports Industry** sits at **\$1.1B** in global revenue. This represents a YoY growth of 15.7%, up from \$950.6 million in 2019. The esports audience is expected to grow to 495.0 million people in 2020 (a YoY growth of 11.7%)

Esports is a subset of the global **Video Game Industry**, which generated **\$175B** from the global gaming market in 2020, representing a 9.3% YoY increase. The industry is forecasted to grow to ~\$218B USD by 2024.

Esports are often broken down into categories of game genres, notably the following:

First-Person Shooters	Multiplayer Online Battle Arenas (MOBA)	Strategy	Racing	Fighting	Sports
e.g. Call of Duty, Overwatch	e.g. League of Legends, DOTA	e.g. Hearthstone, Starcraft	e.g. Formula1, iRacing	e.g. Super Smash Bros., Street Fighter	e.g. NBA 2k, Madden NFL

Esports is ultimately the most visible competitive fringe of the larger video game industry, and its related activities provide the basis for:

- *Fan engagement*
- *Integrated partnerships*
- *Content creation and distribution*
- *Technological innovation*
- *Innovative marketing*
- *Digital education*
- *Destination tourism*

Sources: NewZoo

What sets esports apart from 'traditional' sports?

1. International in nature

Both competitive games and teams are often not tied to specific jurisdictions lending itself to large international followings and the creation of cross-continental rivalries.

2. Innovative digital distribution model

Esports are primarily broadcast through streaming sites, many of which have innovative features that enable a more interactive, immersive viewing experience than linear broadcast.

3. Democratization of participation

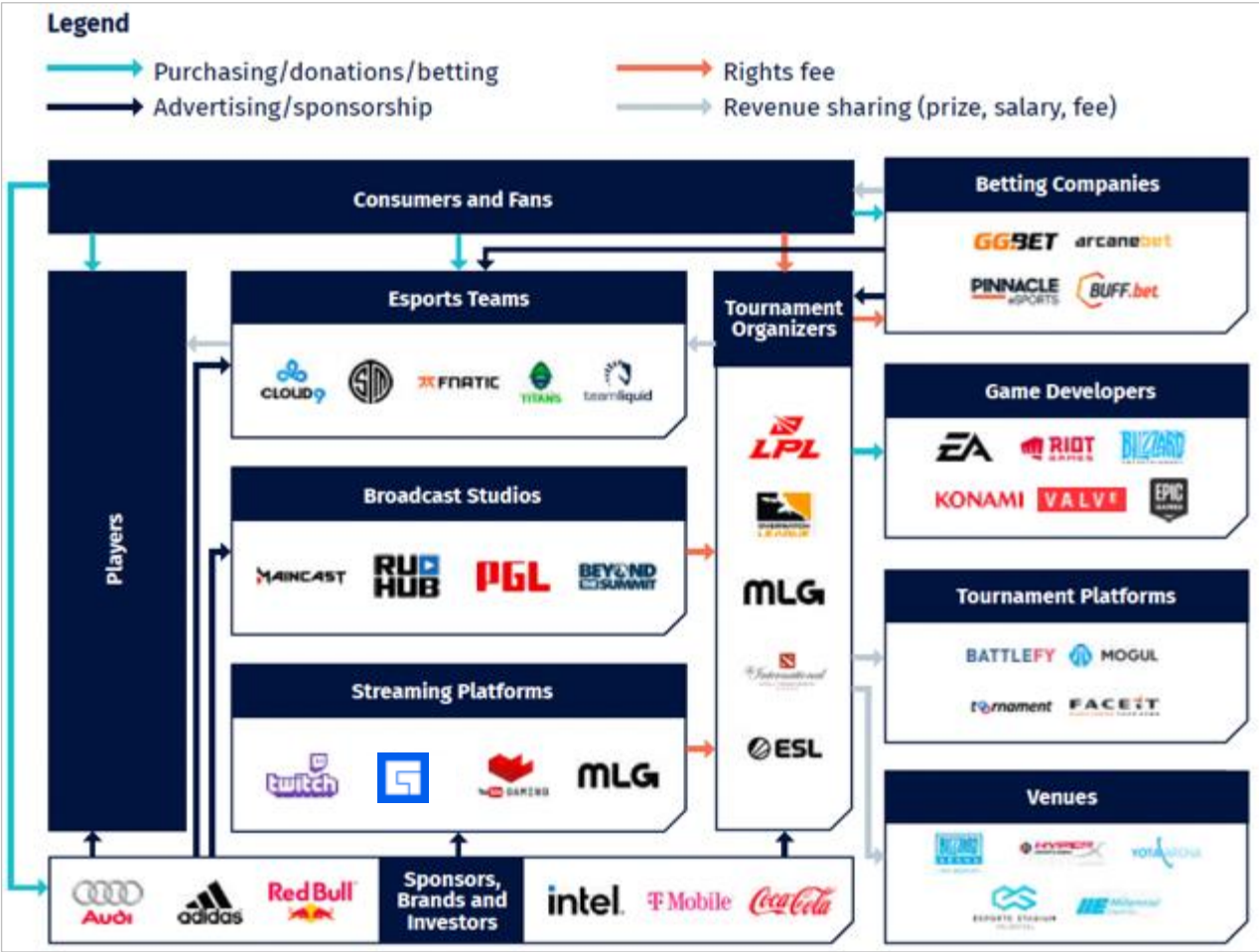
The barrier to entry for esports participation, especially mobile esports, is incredibly low, enabled by the lack of intense physical skills and equipment typically needed in most traditional sports.

4. Role of the Game Publisher and IP

Unlike traditional sports, game publishers own and license the IP rights to their competitive titles, giving them creative and commercial power over events that leverage their IP. In contrast, the NBA cannot put a stop to a grassroots basketball tournament while a game publisher can legally pull the plug on events that they have not approved or which do not meet their community guidelines.

Industry overview – Key stakeholders*

Below is an industry overview which has been crafted to include key stakeholders we feel are critical to capture to provide a **holistic perspective on the esports ecosystem within the context of economic development.**



Additional Stakeholders

Post-Secondary + Educational Institutions



Responsible for providing the expertise and education to develop a leading talent pipeline for commercial roles and careers within each key stakeholder group.

Path-to-Pro + Development Leagues



An interconnected collegiate and/or development league is a critical ecosystem pillar that creates a leading pipeline for competitive talent to be sourced and drafted into leagues and onto teams.

Municipal + Provincial Government and Institutions



Government bodies and related public institutions play a foundational role in the esports ecosystem by shaping the cultural and regulatory framework within which all other stakeholders must acquiesce to.

Sources: Vancouver Esports Strategy
© Deloitte LLP and affiliated entities.

Global esports industry trends impacting the industry moving forward

The Rise of Cloud Gaming

Description

Cloud gaming is expected to grow from USD \$432M in 2020 to reach USD \$3,256.7M by 2026, at 43.2% annual CAGR during that time, led by increasing focus and efforts from large tech players creating and evolving their own cloud gaming services, such as NVIDIA, Google, Microsoft, Amazon and more. This growth is expected to be driven by the proliferation of smartphones across the world, on which cloud games can be played, coupled with the increased focus of social networking firms in acquiring cloud game providers for improving engagement with consumers. However, slow technological advancements and a lower viable functionality for the current generation of cloud gaming software can hamper the growth in the near future.



An image depicting Xbox's cloud gaming service 'Project xCloud' which enables individuals to play Xbox games on their phone.

The Rise of Mobile Gaming

Description

Accelerated more by the COVID-19 pandemic than other forms of gaming, mobile gaming is expected to grow into a USD \$153.5B industry by 2027, from \$71.9B last year in 2020, representing a CAGR of 11.5%. Like cloud gaming, the growth of mobile gaming will be tied directly to the increased use of smartphones. Most of this growth will be observed in developing countries where smartphones are the most affordable gaming platform, compared to consoles and PCs. With continuously rising prices on key console and PC components, namely graphics processing units (GPUs), and general chip shortages, mobile gaming may see even faster growth in the coming years.



An image depicting the inaugural Clash of Clans mobile esports finals which was equipped with a \$700,000 prize pool.

Path-to-Pro Development

Description

As the pathway to becoming a professional esports player begins to form, we're seeing the rise and influx of many supporting elements, including: Esports competitive and educational programs at post-secondary institutions around the world (5000+ institutions around the world have either an esports management program, or on-campus competitive facility), development leagues and qualifying events being crafted to help create a fairer chance for diverse talent to be noticed and drafted/signed and players demanding unifying standards and work conditions, as players are trending to be scouted at younger ages.



An image depicting a match within the Overwatch League's Contenders League – Overwatch League's development league.

Key takeaways from our jurisdictional scans*

A synthesis of best practices, initiatives and approaches from jurisdictional scan analysis of international regions.

Strong Grassroots Community



- **London** commands a large grassroots community, grown over time thanks to annual flagship events, as well as its location as a central European hub for talent, innovation and travel
- **Toronto and Vancouver** have established grassroots communities thanks to well-developed post-secondary esports clubs and programs and the facilitation of strong connections across varying esports sub-communities (e.g. the fighting game community, the first-person shooter community, etc.)

Place(s) to Play



- **Berlin**, due to its central geographic nature and abundance of creative talent has become a consistent host of notable esports events including DreamHack Open in November 2021, Valorant Masters in September, LEC Summer & Spring 2021, and Equal Esports festival in October 2021.
- **Philadelphia** is enhancing its downtown core with new arena space for the home esports team Philadelphia Fusion – an initiative that builds on the already strong venue ecosystem including the high-tech Wells Fargo Center and the newly released gaming venue ‘The Block’.
- **London** has seen the opening of smaller, bite-sized satellite gaming lounges in retro-fitted retail spaces that provide accessible spaces for play and spectating of esports events

Talent Presence & Pipeline



- **Berlin** is home to large offices (and in some cases, head offices) of top-tier game publishers, developers and other esports-focused organizations such as The Esports Observer and Riot Games’ League of Legends European Championship (LEC) Studio
- **London** is a true hotbed for game development, with world-leading game development education (including coding and programming, animation, VFX, graphic design, voice acting, etc.) contributing to the highest European population of game developers
- **Toronto** is home to the highest concentration of esports-focused organizations in the country, providing a plethora of employment pathways for either competitive play (path-to-pro) or business management roles in esports.

Proper Partners



- The City of **Austin** offers a Creative Content Incentive Program to qualifying film, television, video game, and visual effects projects produced by an Austin-based company or which significantly promote Austin. This has contributed to over half of Texan video game companies setting up within the city. This is further enhanced through the continued fan engagement efforts of large Texan esports organizations such as Envy Gaming.
- **Philadelphia’s** esports activities are characterized by significant investment and support from key commercial and investment partners most notably Comcast Spectacor (owners of the Philadelphia Fusion), Harris Blitzer Sports & Entertainment (owners of the 76ers) and SeventySix capital (investors of Nerd St. Gamers).

Key takeaways from our jurisdictional scans continued

01.**Large events are gamechangers of public & private perception.**

Much of the growth, awareness, and shift in public and private perception around esports in jurisdictions is thanks to high-profile, visible events that help others understand the competitive and economic potential of the industry.

02.**Gaming and esports can bring a youthful, creative nature to a region.**

Due to its primary demographics, a concentration of esports engagement and events often brings a youthful, creative vibrancy to regions in which esports ecosystems flourish.

03.**There needs to be opportunities for talent to be developed in the region.**

Being able to earn an education, and subsequent employment, in the esports industry all within the region creates a positive feedback loop that leads to growth; programs and opportunities can take multiple shapes, including micro-credential and experiential learning offerings.

04.**Government and traditional sports industry support is key to accelerating growth of esports.**

The support of both of these stakeholder groups helps lend a legitimacy and credibility to the growing space, accelerating adoption and awareness.

05.**Esports is not overnight.**

Esports is no silver bullet; many jurisdictions have long-term growth involving slowly building momentum and awareness, as well as creating meaningful partnerships and collaborations to achieve success.

Esports ecosystem pillars explained

Esports ecosystem pillars represent the foundational building blocks (the ‘need to have’) from which a sustainable, flourishing esports ecosystem can grow and evolve.

Strong Grassroots Community



A **community of fans, competitors and organizers** who bring a scene to life through volunteerism and passion.

Maturity within this pillar looks like:

- **Committed group of event organizers** – hosting consistent events leveraging and gaining experience across logistics and broadcast
- **Well-attended events** – from local weekly tournaments, to larger annual events
- **Structured, collaborative approach** – associations, communities and stakeholders working across regions to support and bolster growth

Place(s) to Play



Destinations and events centered around gaming and esports that provide visibility, recognition and enable productive stakeholder collisions.

Maturity within this pillar looks like:

- **Accessible regional venues** – dedicated spaces that can be consistently leveraged to host events and gather as a community
- **Accessible tech and equipment** – easing the burden of sourcing the necessary resources to play, host and compete
- **Hosting of high-profile events** – giving competitors and fans the opportunity to participate in aspirational events

Talent Presence & Pipeline



Presence of **recognized talent**, as well as **developmental, educational and career pathways** linking to esports careers of varying kinds.

Maturity within this pillar looks like:

- **Robust educational pathways** – established curriculums supporting the development of necessary skills and capabilities, married with attractive organizations desiring skills and capabilities which esports participants possess, and which support esports activities
- **Engagement of recognized talent** – high-profile competitors or personalities residing and engaging within a region
- **Regional and/or scholastic leagues or circuits** – formalized competitive structure enabling youth participation and talent development

Proper Partners

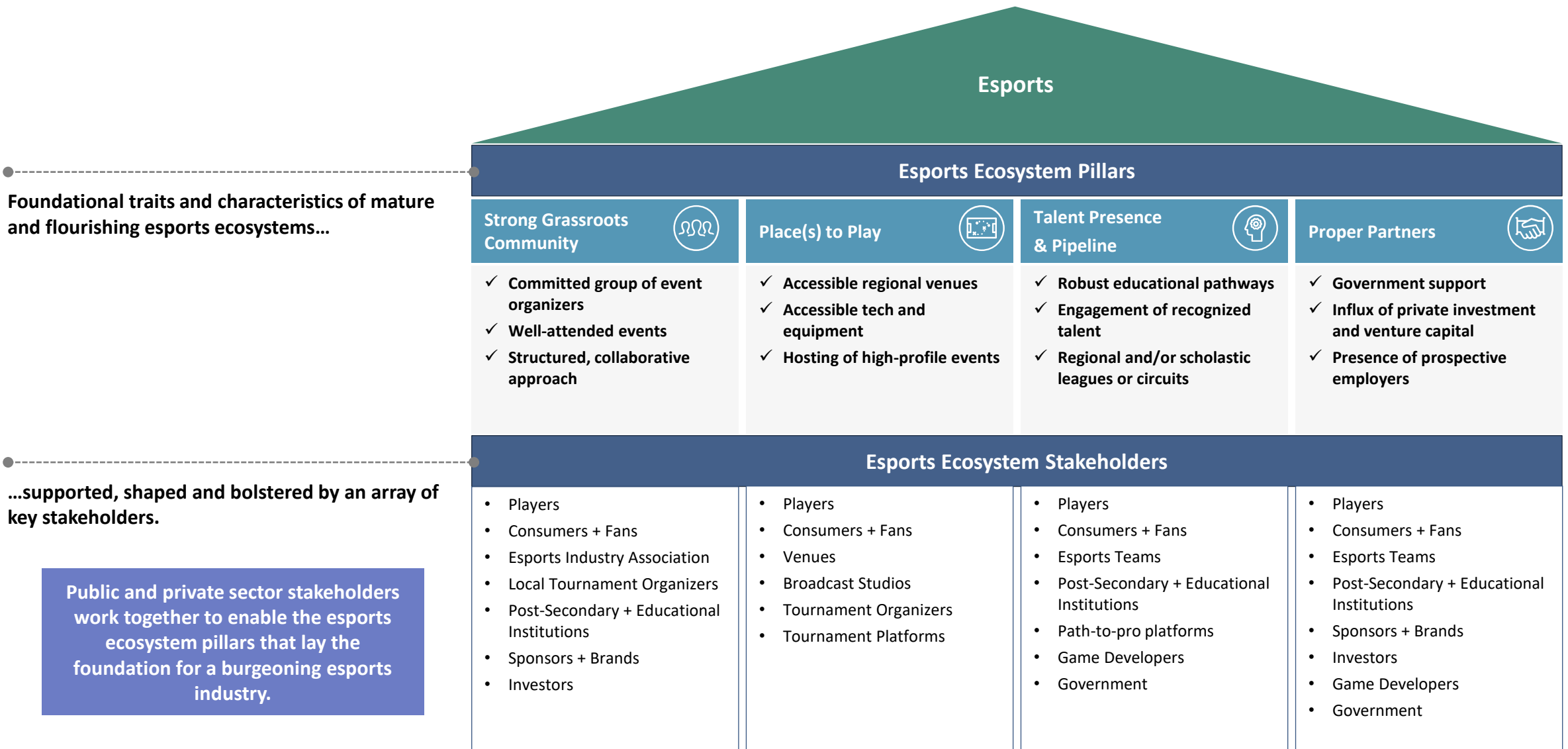


Organizations committed to monetary, talent and resource support of the esports and gaming scene.

Maturity within this pillar looks like:

- **Government support** – policy and incentivization which encourages strategic and economic activity in the esports space
- **Influx of private investment and venture capital** – organizations and investors aimed at supporting the development of technology and businesses within esports
- **Presence of sponsors and partners** – professional sports teams and notable sponsor brands that can build credibility, awareness and legitimacy around growing esports initiatives

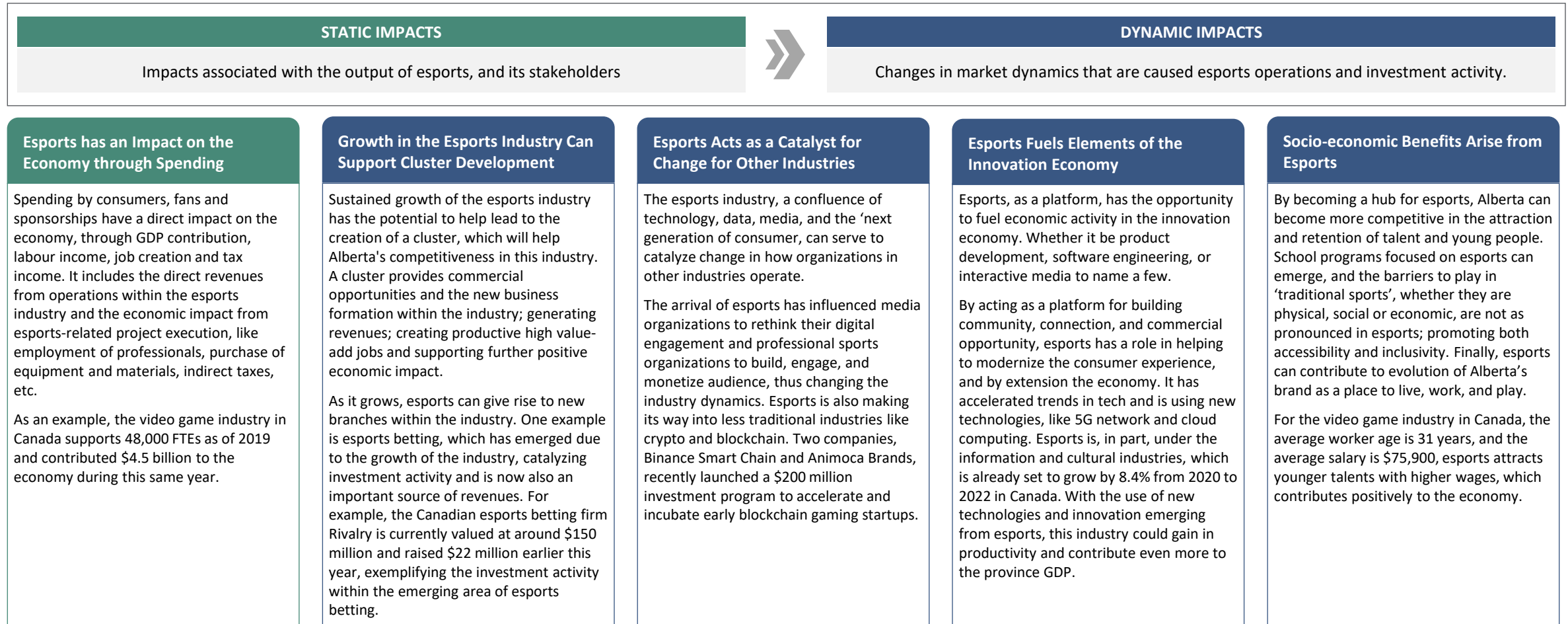
An esports ecosystem is supported by four key pillars



Esports as a platform for economic development

Esports can serve as an engine for economic development – providing both static and dynamic benefits

Esports' economic impact can be both static and dynamic. Economic growth can be generated directly through spending or jobs creation, but it can also originate indirectly through dynamic impacts catalyzed by the esports industry.











Section 2

Advantage and Opportunity



Alberta's economic development objectives

The following economic objectives were identified for the province of Alberta through our consultations and research

Labour market  <ul style="list-style-type: none"> • Create sustainable and high-quality jobs at the provincial level • Fill the lack of in-demand skills • Become Canada's destination for talent 	Investment  <ul style="list-style-type: none"> • Attract, retain and expend investment in Alberta • More FDI deals and increase value-added economic activity 	Educational programs  <ul style="list-style-type: none"> • The right focused educational programs to produce talent • Improve access and student experience • Become a leading destination for top talent to drive the growth of skills, ideas and innovations, locally and globally 	Tourism  <ul style="list-style-type: none"> • Attract, enhance and promote premier experiences and events • Increase tourism activity to promote job and economic growth
Innovation  <ul style="list-style-type: none"> • Alberta's innovation system is optimized to support economic growth • Alberta is recognized globally as a leading innovation engine • Leverage digital infrastructure to link research, educational and technology 	Globalization  <ul style="list-style-type: none"> • Increase internationalization of the regional economy • More livable city that will attract and keep young professional and students 	Business enablement  <ul style="list-style-type: none"> • Create a more business-friendly environment to attract companies • Create condition for growth and diversification of Alberta's primary and emerging industries 	Tech and media ecosystem  <ul style="list-style-type: none"> • Increase competitiveness of the region • Accelerate and broaden the use of innovative products, technologies, and processes

Note: The list of objectives is not exhaustive. When reviewing Alberta's economic objectives, these objectives were prioritized in the context of this project.

Alberta's strengths

The following strengths were identified for the province of Alberta through our consultations

01 Strong grassroots community

Alberta benefits from the presence of a strong grassroots community already.

“A **strong grassroots community is already in place** and wants to work here”

02 Presence of a provincial esports association

Alberta is unique in that it is the only province to currently have a very actively involved and such well-connected Esports Association, notably being a founding member of Canada's national esports association.

“An advantage of Alberta is AESA, there is a **provincial association to support an esports strategy**”

03 Modern and high-tech venues

Alberta's current and future venues are modern and have the necessary technology to host and esports event.

“We already **have the technology, bandwidth and electrical needed** for esports”

04 Momentum built from iconic, annual events

The existence of iconic events in Alberta that already attract many spectators is a benefit since these can be leverage to integrate an esports component.

“Esports can be **integrated** in a large sports or cultural event”

05 High number of sports fans and properties

Albertans already love sports, there is a high number of sports fans and properties, which could be interested in esports as well.

“The sports brand in Alberta are **popular and strong**”

06 Alberta's natural assets

Alberta is already known for its natural assets, and they are attracting many tourists every year.

“People love the **natural beauty** of Alberta”

Alberta's challenges

The following challenges were identified for the province of Alberta through our consultations

01

Stigma around gaming and esports

Currently, in Alberta the perception people have around gaming and esports is not always positive.

“My initial reaction was that esports was **just sitting on a computer**”

02

Conservative approach

It was noted that it could be challenging for the province to take a leap and become esports pioneers without analogous examples of success seen elsewhere.

“Alberta still has a conservative approach that is **not always forward thinking** in terms of innovation”

03

Lack of tax incentives in this space

Tax incentives are necessary to attract important stakeholders of the ecosystem in the province.

“Government funding, policies and **support to help the industry grow** is a challenge”

04

Alberta's “brand” is being oil and gas focused

From the outside, Alberta is known for oil and gas and this perception too would need to change.

“It is a resources-based province, there is **skepticism on everything that is seen as new**”

05

Lack of agility from post-secondary institutions

There is a long process that universities need to follow to implement a new program, which could affect their participation in the ecosystem.

“The world of universities is bureaucratic; it is **hard and takes long to get anything done**”

06

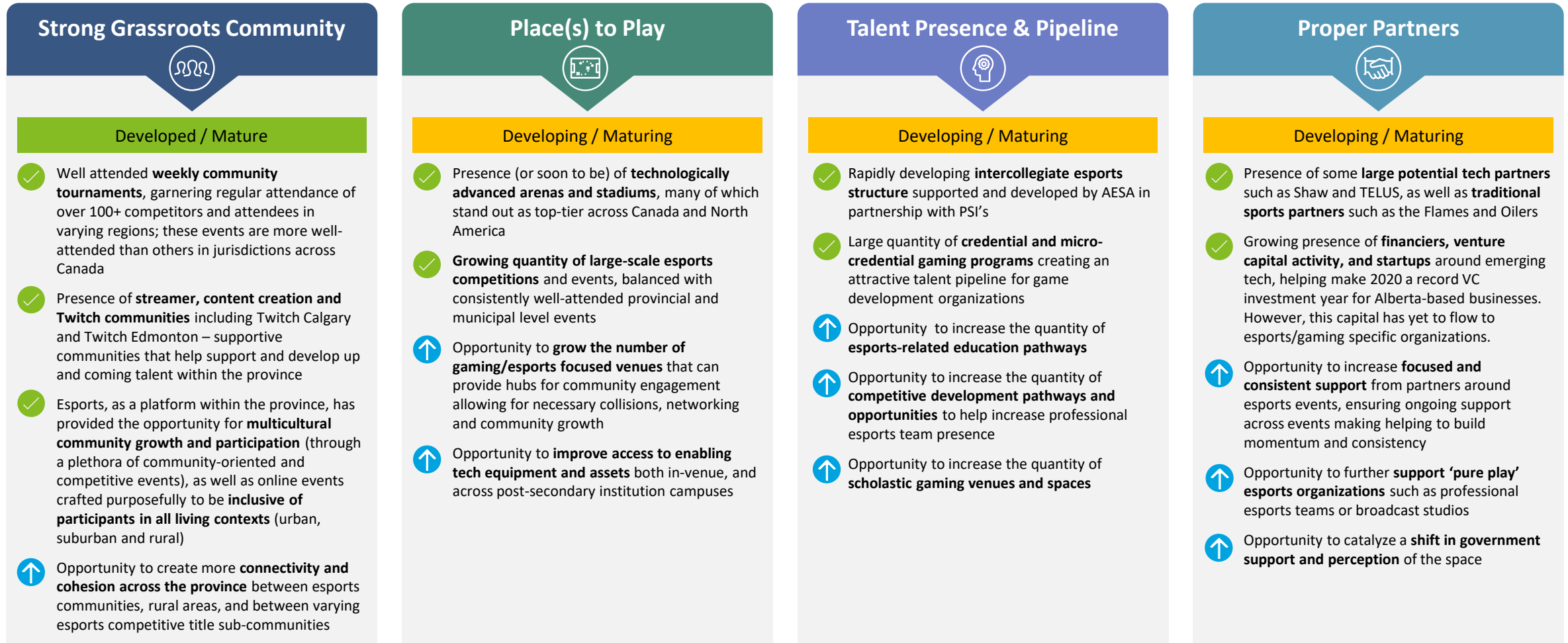
Lack of cohesion between stakeholders

There are stakeholders already present in Alberta who are ready to play their part in the ecosystem, but guidance and cohesion between them is necessary for the strategy to work.

“The **roles would need to be clarified** in the ecosystems; we are not sure what we can do”

Alberta has a built momentum in developing its esports ecosystem


Alberta has a solid foundation in a passionate, involved grassroots community, but is lacking proper partners that can further enable large esports events within the province, and help make it a more attractive destination for talent.


Legend:
 Developed / Mature

 Developing / Maturing

 Lacking / Needs maturing

 Strengths

 Improvement Opportunity Areas

Section 3

Alberta Esports Economic Development Pathways



Travel and tourism

In 2019, tourism was Canada's number one service export, totaling 3% of total exports, generating CAD \$104B in revenue and accounting for 1.8 million direct and indirect jobs in Canada. These statistics exemplify the impact tourism has on enabling economic growth.

The OECD defines "major events as catalysts for tourism". Events that are managed and hosted effectively, can expand the visitor economy, provide media exposure, promote regional development, and stimulate the upgrading of infrastructure and the emergence of new partnerships for financing sport, tourism, culture and leisure facilities. Events boost economic growth, job creation, branding, well-being, and urban regeneration. They boost demand for transportation, food services, accommodations, retail and marketing. The needs for esports event-hosting will be similar in nature to those for traditional sports events: a large purpose-built arena able to host upwards of 10,000 fans, a plethora of technical experts such as producers and events staff, and sponsorship partners looking to leverage the specific demographic expected to attend the event.

Alberta has a clearly defined tourism offering and has identified it as a priority sector for economic growth and job creation with a target to double tourism expenditures by 2030. Tourism spending by visitors contributed to the provincial economy with 68,000 tourism jobs and CAD \$6.5B in contribution to Alberta's GDP in 2019. Thus, event hosting has increasingly become an important way to attract growth in a region and the growth in this space has also resulted in the potential for many new ways of attracting more visitors. For example, programs or packages can be created that incentivize a visitor to the esports event to spend additional time exploring and enjoying the province. The COVID-19 pandemic has catalyzed digital adoption, giving further opportunity to the province to combine and host virtual events that could also attract international visitors through virtual experiences.

Case Study – LCS Finals Detroit 2019



The finals of the 2019 summer split of the Legends Championship Series ("LCS") culminated in two-day live event hosted in Detroit, Michigan. Both days welcomed sell-out crowds, as the world watched Team Liquid beat Cloud9 in a tight, 3-2 best-of-five series.

In addition to welcoming thousands of fans to the city of Detroit, the 2019 LCS summer finals also boosted the local economy of the city by contributing approximately USD \$5.5M.

Detroit's experience continues the trend of what seems to be a rule, rather than an exception, as the Shanghai reported that the 2020 League of Legends World Championships ("Worlds") ranked as the city's second-most impactful sports event of the year. Coming behind only the Shanghai Marathon (USD \$7.6M), Worlds contributed approximately USD \$4.6M in direct economic effect, despite the impact of COVID.

Education and facilities

The availability of quality skills and talent and associated educational institutions in one location can help to drive clustering effects in a region, attracting entrepreneurs and companies to the region. This, in turn, enables higher education faculties to develop co-operative education/apprenticeship programs that can further adapt to the requirements of the companies and entrepreneurs located in a region. Achieving this vision requires broad collaboration among economic development organizations, government, the broader public sector, the private sector, universities and other institutions. Progress is sustained through regional policies and support programs to enhance research and development, implement diversified curriculum and prepare the next generation of workers.

Similar partnerships and approaches to Esports can stimulate the development of in-demand skills and talents. The province's post-secondary institutions can look to attract prospective students by injecting gaming and esports into their offerings, whether through credible and recognized extracurricular activities, or direct integration into teaching methodologies, and course material. These types of personalized offerings, in addition to existing attractors such as co-op programs and apprenticeships, can support greater student attraction and retention, positive employment outcomes and, support success on the job. A focus on attracting students through gaming also has an indirect effect of attracting students that have either tangential or direct interest in certain technological fields. Skills and capabilities garnered through an esports-specific curriculum offer many transferable skills to other STEM sectors, as well as some unique digital media capabilities. Through a diversified and advanced curriculum that matches the economic development objectives of a region, there is a higher probability to attract and retain top talent within a region. For example, Ontario has managed to create clustering effects in various locations across the province, such as the Waterloo-Kitchener area, by attracting students with a STEM background, in part due to its well-known and established gaming and esports scene, and thus establishing a technology hub in the area. Esports is a strong contributor and participant of this hub, so much so that the city has created an esports commission to further develop initiatives such as youth and scholastic programs.

To have a strong curriculum, there is also a need for supporting infrastructure and facilities to provide students and educators with a better esports learning experience. Esports and gaming facilities naturally come equipped with technology that enables an interactive learning experience and would not only benefit students' development but also enables economic development through supply chain effects. Building advanced education facilities creates demand for goods such as technology equipment and services such as software development, UX designs, web developers and computer programmers. In the context of esports, purchasing equipment relevant to esports would stimulate and diversify buying patterns in Alberta. Additionally, opportunities in esports adjacent activities could include product development, software engineering, graphic design, and interactive media to name a few. By creating economic growth in adjacent sectors, an advanced and talented ecosystem is created, and a well defined esports strategy with modernized education and facilities can help drive such an ecosystem.

Case Study – Ryerson's Creative Conduit Research Lab



The Conduit is a dedicated video games and esports research lab at Ryerson University. It's three main areas of focus are video game design, esports broadcasting, and esports infrastructure across which students gain a plethora of skills and capabilities required to succeed in esports and adjacent industries as well.

Through development of the lab at Ryerson, there have been closer partnerships made with private sector organizations such as notable esports team Liquid, which hosted a hackathon event in partnership with the research lab, where students of varying education backgrounds (esports, video game development, UI/UX, graphic design, etc.) came together to compete in creative challenges.

Innovation economy

Innovation spurs economic development and diversification, which boost the competitiveness of a jurisdiction or region. Innovative organizations, when given the momentum to grow and prosper, can attract large amounts of visibility and capital from investment, all which have beneficial ripple effects across various sectors of the economy. Innovation-driven, technology-intensive businesses also have a disproportionately high impact on the competitiveness, future economic growth and prosperity of a region. These firms contribute an excessive level of high-value jobs, strengthen access to global markets, and develop tools that power the industries of today and tomorrow.

Esports has the potential to drive economic growth in various forms including foreign direct investment through companies locating within the province, job creation within and outside of esports through supply chain activity and improved recognition of the province as a hub for new ideas and development. Additionally, gaming and esports have extended into other new technological trends, such as cryptocurrency through esports betting and a heavy marketing presence to the gaming demographic. Companies have emerged in the metaverse space that are organizing esports events and providing virtual experiences through augmented reality to provide a more immersive experience to the audience while using advanced blockchain technology. Leading blockchain based esports companies such as Axie Infinity have secured a market cap of over USD \$6.3B through delving in esports based non-fungible tokens (NFTs) and its native token – exemplifying the growing industry. Additionally, the entertainment industry has also benefitted from the growing esports industry – for example, the popular online game Fortnite was able to partner with music artists in 2020 for live performances, which drew over 12.3 million views, showing the productivity growth that can be achieved within the ICT sector through the esports industry. As the overlap between esports and other adjacent emerging technology grows, investment in esports will increasingly create direct beneficial economic effects across other desirable technology sectors. By providing the latest tools for improving businesses and support for research and development to continue breakthroughs, an innovation economy can also further catalyze professional development in the region and make Alberta an increasingly attractive destination for start-ups and talent.

Case Study – Hainan Esports Development Fund



In 2019, the Chinese island province of Hainan announced a USD \$145M esports development fund, intended to be focused on esports ecosystem development with specific initiatives around business enablement and support, and augments to tax and visa policy. Furthermore, there will be a concerted effort to attract top talent to the region by offering benefits around home purchasing, higher educational programs and more.

However, the plans for the province go beyond esports, as Hainan's government has included plans to sow a larger innovation and tech ecosystem by leveraging facilities and initiatives to host large digital industry events (such as the Tencent Digital Culture Festival) and is working in close partnership with Tencent on development plans around tournaments, education modernization, industry attraction and culture.

Alberta's esports economic development pathways

Esports as a platform for...



Bolstering events, travel and tourism
Esports events to increase travel and retention, build upon momentum from existing traditional sports affinity, and elevate Alberta's brand.

IMPLIED ECOSYSTEM PILLAR FOCUS



The modernization of education and facilities
Modernize curriculum and facilities to bolster talent pipeline for the 'new economy'.

IMPLIED ECOSYSTEM PILLAR FOCUS



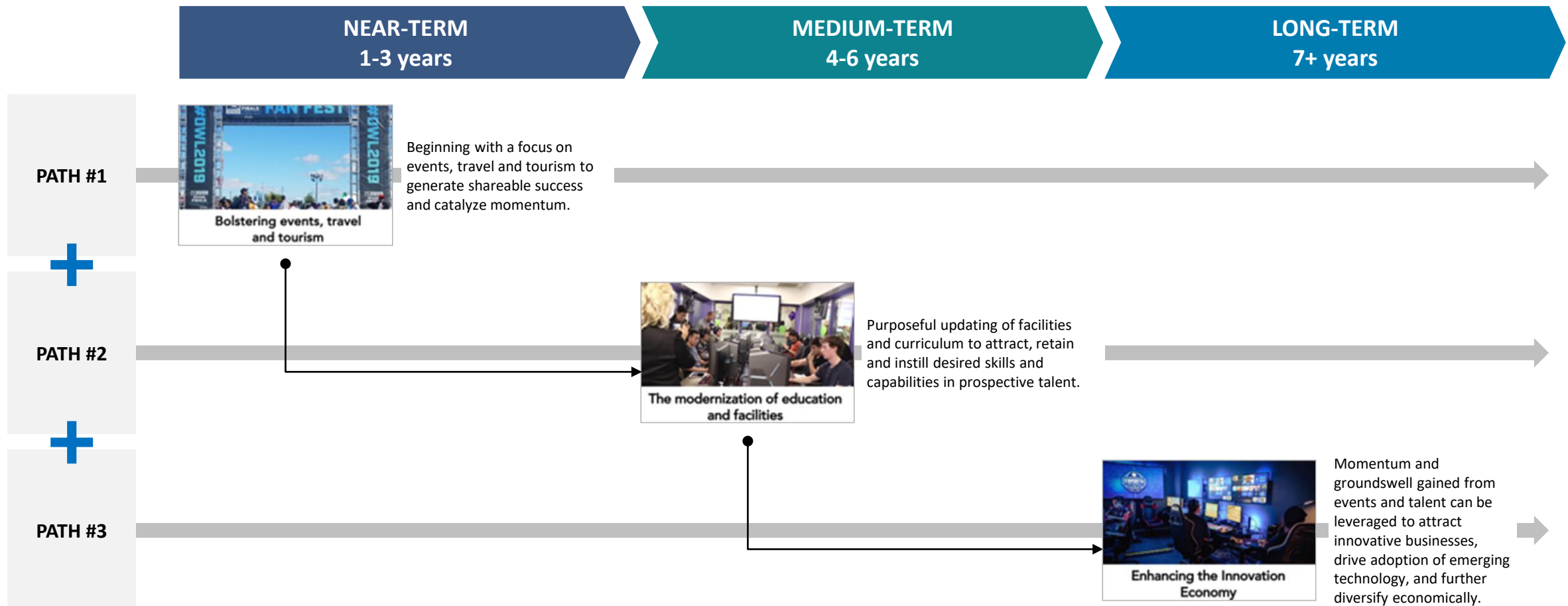
Enhancing the Innovation Economy
Esports engagement to build momentum in adjacent innovation industries and sectors.

IMPLIED ECOSYSTEM PILLAR FOCUS



Esports pathway benefits over time

Although each pathway begets near-term, medium-term and long-term initiatives to ensure success, **benefits around each of these pathways are expected to be realized across differing time horizons. These are *not* siloed action plans, but rather interconnected areas of focus that create momentum and positive feedback loops leading to more successes and opportunities**



Section 4

How Do We Get There



Section 4.1

Esports as a Platform for Bolstering Events, Travel and Tourism

Esports as a platform for bolstering events, travel and tourism

Description

Pursuit of this path will help realize a future in which:

- Alberta becomes host to internationally recognized, high profile esports events – either of a standalone, or perennial nature
- Current annual, iconic cultural events are enhanced with esports + gaming elements to diversify attendance and attract new fans to the province for events

Pursuit of this path will help achieve certain desired outcomes:

- **Refresh Alberta's brand** as an attractive competitive and tourist destination
- Catalyze a **shift in public perception** to battle stigma
- Enter the **consideration set as a top-tier travel and living destination** of the next generation of fans/consumers

IMPLIED ECOSYSTEM PILLAR FOCUS



Legend: ■ Priority Focus ■ Secondary Focus ■ Tertiary Focus

Where we'll play

- Multi-faceted events that combine competitive esports + gaming elements with insight into business, education, and living opportunities within the province
- Strong digital presence and content generation elevating storytelling and affinity for events
- Enhanced travel and tourism destinations with esports and gaming elements
- Internationally recognized competitive gaming destination for large-scale events; investment from event hosts into destination events within Alberta

Economic objectives achieved



Esports as a platform for bolstering events, travel and tourism

How we'll win

- Build relationships with game developers/publishers of popular esports titles to better understand destination requirements/criteria, and sow interest in event hosting within Alberta
- Foster collaboration amongst regions and municipalities to create package offerings and/or associated events that encourage lengthened stay and travel to varying areas
- Partner with tech providers and hotel associations to offer attractive travel packages, encouraging tourism and travel for events
- Storytelling and content helping shift perception of Alberta's brand
- Elevate awareness and recognition of Alberta's technologically advanced venues, leveraging event hosting to build visibility and demonstrate credibility

Required assets and capabilities

EXISTING ASSETS

- Modern venues
- Alberta Esports Association
- Strong grassroots community

ASSET GAPS

- Accessible competitive esports technology (e.g. Gaming computers and consoles)
- Established relationships with game developers/publishers

EXISTING CAPABILITIES

- Small-scale event hosting experience

CAPABILITY GAPS

- Large-scale event hosting experience
- Large-scale event broadcast experience

What role will stakeholders play?

VENUES should:

- upskill staff in esports-event specific requirements (broadcast, tech requirements, etc.)
- Enhance and augment venue space with spaces fit-for-purpose for esports events and activities

EVENT ORGANIZERS should:

- Bid for high-profile esports events
- upskill staff in esports-event specific capabilities
- Enhance and augment existing events with esports and gaming elements

SPONSORS, BRANDS AND INVESTORS should:

- Provide resources and capital to enhance prize pools and support bringing events to life

GAME PUBLISHERS AND DEVELOPERS should:

- Build relationships with venues and event organizers to establish trust and credibility in Alberta's event hosting capabilities
- License IP where and when needed to allow for esports events to be hosted

PROVINCIAL TOURISM BODIES should:

- Support the bid process of esports events
- Work with municipalities, venues and hotel associations to generate attractive travel packages that increase quantity and spend of tourism, while extending stays by pulling travellers to varying destinations

Initiatives should be focused around:

- **ENHANCING ALBERTA'S BRAND** through storytelling and undertaking of innovative activities around esports and gaming.
- **CREATING GROUNDSWELL** to build momentum and challenge stigma surrounding esports, and to further catalyze support from stakeholder organizations.
- **COLLABORATION ACROSS MUNICIPALITIES AND HOTEL ASSOCIATIONS** to create attractive travel packages for events across regions, keeping tourists around longer, spending more, and travelling to different parts of the province.

Initiatives to enable esports as a platform for bolstering events, travel and tourism

Initiatives	Stakeholder(s) involved	KPIs*
Near term		
Establish relationships with esports event hosts and production studios to better understand destination requirements/criteria and generate awareness of Alberta's technologically advanced venues	<ul style="list-style-type: none"> Game Developers/Publishers Venues 	<ul style="list-style-type: none"> Broadcast Studios Tournament Organizers # of relationships established Increased awareness of Alberta's venues
Work with organizers of current large-scale events and venues to embed esports + gaming elements, as well as upskill and educate them on esports event elements	<ul style="list-style-type: none"> Event Organizers Sponsors 	<ul style="list-style-type: none"> Venues # of large events with esports elements
Bid for, and host, a large, high-profile and recognized esports event	<ul style="list-style-type: none"> Game Developers/Publishers Venues 	<ul style="list-style-type: none"> Tournament Organizers Sponsors Broadcast Studios # of esports event bids submitted # of esports events hosted
Collaborate with gaming tech and equipment retailers and manufacturers and hotel associations to generate attractive travel packages around events and single travel destinations	<ul style="list-style-type: none"> Sponsors Hotel Associations 	<ul style="list-style-type: none"> Event Organizers # of packages generated # of packages sold
Medium term		
Develop an awareness campaign leveraging digital content and storytelling to raise awareness of Alberta's events	<ul style="list-style-type: none"> Provincial and municipal tourism bodies 	<ul style="list-style-type: none"> Increased awareness of Alberta's capabilities and hosted events
Collaborate with municipalities, tech providers and hotel associations to craft events and packages that extend and increase travel across Alberta and encourage engagement across multiple travel destinations	<ul style="list-style-type: none"> Sponsors Hotel Associations 	<ul style="list-style-type: none"> Event Organizers # of packages generated # of packages sold Increased average tourist spend and length of stay
Long term		
Establish a perennial large, recognized esports event within Alberta.	<ul style="list-style-type: none"> Game Developers/Publishers Venues 	<ul style="list-style-type: none"> Broadcast Studios Tournament Organizers # of annual esports events hosted

*Key performance indicators (KPIs) are the critical metrics to track to gauge the success and impact of undertaken initiatives.

First fast actions

Get smart on esports events.

Developing a working group to understand and establish event requirements and logistics to further understand asset and capability gaps that need to be filled.

Build relationships with publishers.

Begin liaising and building rapport with events arms of large game publishers and developers to establish credibility and raise awareness of Alberta's comparative strengths and advantages.

Enhance venue space(s) to be fit-for-purpose for esports.

Where possible, quick wins can be gained from augments and enhancements to venue spaces that make them fit-for-purpose or tech-enabled to support esports events of varying sizes. This can include improved bandwidth, electrical power, and even esports-dedicated spaces/lounges.

Risks and considerations regarding esports as a platform for bolstering events, travel and tourism

Don't approach it as if you are hosting a 'traditional' sports event.

Despite the analogous comparisons often made, esports is different to sports; this couldn't be exemplified further than when looking at events. Therefore, it can't be treated as 'more of the same'. Esports-specific expertise is required, and events need to consider a multitude of elements such as enabling equipment, broadcast through digital platforms such as Twitch and YoutubeGaming, and crafting an audience experience for an engaged, international audience.

The esports event bid process can be competitive.

With some events having very specific requirements (in terms of space and technology) bids can be cumbersome and may beget certain technological upgrades or adjustments to be fit-for-purpose. This is further exacerbated by the barrier of long-standing, perennial relationships of some competitive destinations that have become well-known for hosting events and even synonymous with certain esports competitions (e.g. IEM Katowice).

The end of the event can't be the end of the story.

Events are great for gathering momentum and challenging public perception – but if nothing is done in the aftermath it's easy for this groundswell to peter out. Considerations must be given to extending the life of events and echoing success through stories enabled by digital content and awareness campaigns.

Section 4.2

Esports as a Platform for the Modernization of Education and Facilities

Esports as a platform for the modernization of education & facilities

Description

Pursuit of this path will help realize a future in which:

- Esports engagement helps catalyze prospective talent interest in tech and innovation sectors
- Student engagement increases through further inclusive avenues of community engagement and involvement in esports
- Schools are equipped with tech resources and spaces to build the skills and capabilities necessary for sustainable sectors
- Investment in esports as a curriculum not only retains Albertans but also makes Alberta an attractive destination to those outside the province to pursue multi-faceted education

Pursuit of this path will help achieve certain desired outcomes:

- Alberta becomes a **top-of-mind destination** for modern education and work
- **Student quality of life greatly increases** through increased inclusive and community engagement pathways
- **School curriculums become modernized**, and fit-for-purpose for innovation sectors

IMPLIED ECOSYSTEM PILLAR FOCUS

Strong Grassroots Community	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>
Place(s) to Play	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>
Talent Presence & Pipeline	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>
Proper Partners	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>

Legend: ■ Priority Focus ■ Secondary Focus ■ Tertiary Focus

Where we'll play

- Leveraging esports to create attractive student engagement cultures within educational institutions
- Modernized facilities enable experiential learning and education surrounding emerging tech sectors
- Development of attractive curriculums involving work placements and leveraging leading-edge technology for education and recreation
- Post-secondary institutions work closely with tech sector organizations shaping required talent and skills

Economic objectives achieved



Esports as a platform for the modernization of education & facilities

How we'll win

- Help foster relationships between post-secondary institutions and attractive employers within emerging tech and sustainable industries
- Help provide funding and resources to refurbish spaces with modern tech and systems
- Lower cycle time required to develop new credential programs
- Awareness generation campaigns to help inspire prospective talent to pursue education and employment in sustainable tech fields
- Awareness generation campaigns sharing success stories of tech start-ups and emerging tech companies within the province
- Enable closer partnerships with tech sector employers to ensure talent and curricula are being developed to instill required skills and capabilities

Required assets and capabilities

EXISTING ASSETS

- Many post-secondary institutions have esports clubs or teams, or programs in adjacent fields such as VR/AR, graphic design, interactive digital media, animation, game design, etc.

ASSET GAPS

- Many post-secondary institutions are lacking dedicated space or equipment to fully realize esports initiatives
- Structured scholastic league(s)
- Lack of dedicated/esports-focused curriculums and credential programs

EXISTING CAPABILITIES

- Alberta Esports Association crafting competitive structure

CAPABILITY GAPS

- Lack of esports expertise among instructors, faculty and administration

What role will stakeholders play?

POST-SECONDARY INSTITUTIONS should:

- Craft credential programs and curriculums around esports and associated elements (e.g. Esports marketing, esports management, etc.)
- Craft fit-for-purpose esports + gaming dedicated spaces on campus to enable esports activities, as well as leveraging the spaces for experiential learning across other STEM fields and faculties
- Elevate awareness of esports activities while working to craft them; work with esports teams, broadcast studios and AESA to craft an engaging interscholastic competition
- Leverage esports + gaming elements to craft immersive and innovative learning opportunities (immersive tech, AR/VR, etc.)
- Work with private sector organizations to craft experiential and work-integrated learning opportunities

Initiatives should be focused around:

- **IMPROVING STUDENT QUALITY OF LIFE** through initiatives around esports, offering an accessible pathway for community engagement and an alternative for competition to traditional sports.
- **MOVING AS A UNIT** by enabling collaborating across PSIs to develop interscholastic leagues, and share best practices around approach to bringing esports to life on campuses across Alberta.
- **SPREADING THE WORD** to differentiate Alberta as a top-tier talent destination, engaging in innovative activities and providing access, where possible, to enabling gaming and experiential learning technology.

ALBERTA ESPORTS ASSOCIATION should:

- Continue to educate faculty and evangelize esports across PSIs
- Continue to refine and develop an interscholastic competitive structure
- Assist in the crafting of esports-focused curriculum

PRIVATE SECTOR ORGANIZATIONS should:

- Help develop curriculum, and provide attractive employment and learning opportunities through work placements/co-op opportunities

SPONSORS, INVESTORS AND SUPPORTING EDUCATION BODIES should:

- Provide resources and capital to acquire equipment and craft dedicated esports spaces

Initiatives to enable esports as a platform for the modernization of education and facilities

Initiatives	Stakeholder(s) involved	KPIs
Near term		
Develop a working group with representation from across post-secondary institutions to begin meeting at a regular cadence to share best practices and in-flight initiatives around esports	<ul style="list-style-type: none"> Post-secondary institutions AESA 	<ul style="list-style-type: none"> # of schools represented # of municipalities represented
Help establish relationships between esports organizations and post-secondary institutions to inform the crafting of curriculums and credential programs	<ul style="list-style-type: none"> Post-secondary institutions Game developers and publishers 	<ul style="list-style-type: none"> Esports teams Esports broadcasting studios # of official partnerships or direct working relationships on curriculum co-creation # of programs developing desired skills and capabilities # of programs developed with experiential/internship components Increase in employment rate for new graduates # of enrollments in esports programs
Medium term		
Develop and launch an Alberta-wide interscholastic esports league	<ul style="list-style-type: none"> Post-secondary institutions AESA Game publishers and developers 	<ul style="list-style-type: none"> Esports teams Esports broadcasting studios # of events hosted # of schools participating # of attendees, participants and spectators
Support the development of esports-focused curriculums and credential programs	<ul style="list-style-type: none"> Post-secondary institutions AESA 	<ul style="list-style-type: none"> Government education bodies # of esports-focused programs and credentials offered # of programs developed with experiential/internship components # of esports instructors # of enrollments in esports programs
Support the development of esports-focused spaces, and acquisition of esports-enabling equipment	<ul style="list-style-type: none"> Post-secondary institutions Government education bodies 	<ul style="list-style-type: none"> Sponsors and Investors # of college and university esports venues # of college and university esports teams
Long term		
Share stories of success internationally to elevate Alberta's brand as a top-tier talent destination	<ul style="list-style-type: none"> Post-secondary institutions Government education bodies 	<ul style="list-style-type: none"> Elevated awareness of education opportunities within Alberta Increased enrolment rates at Albertan colleges and universities

First fast actions

Build on existing momentum. Further supporting the ongoing impactful initiatives of AESA in crafting esports curriculum and setting up the infrastructure required for a successful interscholastic league.

Create a working group with representation across post-secondary institutions. No one should go at it alone, and all ships will rise with the tide. Sharing of best practices and in-flight initiatives at a consistent cadence will help generate further momentum and accelerate benefits realized from embedding esports in education across the province.

Build relationships with esports teams, and adjacent tech and media organizations to begin building a talent pipeline. Insight from these organizations can be used to further inform initiatives, as well as paint a picture of required skills and capabilities programs must impart to create capable talent in the esports industry.

Risks and considerations regarding esports as a platform for the modernization of education and facilities

Tone at the top is required to overcome bureaucracy and funding barriers.

Fundamental misunderstandings of, or lack of education surrounding the benefits of technology and gaming-driven learning initiatives by key decisionmakers may create delays in adoption. Beyond the understanding, certain pathways may require material upfront capital investment, such as those that will focus on the use of virtual and augmented reality hardware.

Updates to education curriculum will take time.

To consider all aspects of gaming-driven education, educators and facilitators must take the time required to carefully develop their respective curricula. Not only will there be administrative hurdles to overcome to introduce gaming-driven learning initiatives, but there will be additional time required to provide teachers the training required to deliver the curriculum effectively.

Gaming is broad, and focus must be narrowed.

Gaming as a collective is an extremely broad topic, covering multiple platforms, game titles, and learning opportunities. Attempting to capitalize on every possible opportunity will spread resources and effort too thin and culminate in slower progress. Stakeholders must spend the time required to identify the key areas of education that can benefit the most from gaming integration, whether it's using strategy games to explain economic concepts, or using virtual reality to visualize medical procedures.

Section 4.3

Esports as a Platform for Enhancing the Innovation Economy



Esports as a platform for enhancing the innovation economy

Description

Pursuit of this path will help realize a future in which:

- Esports brings together the elements of success of an economy based on innovation
- Support and collaboration for emerging technology has increased rapidly between public and private sector sports associations
- The economy is modernized. The adoption of new technologies and trends in tech has accelerated

Pursuit of this path will help achieve certain desired outcomes:

- Alberta becomes a **leading innovation ecosystem**
- **Attraction of tech companies** which will contribute to the growth and diversification of the economy
- Enhancement of the **Alberta Innovation Corridor**, further accelerating its goals of advocating for technology-enabled innovative companies, as a joint pursuit across Alberta's big-city innovation ecosystems

IMPLIED ECOSYSTEM PILLAR FOCUS

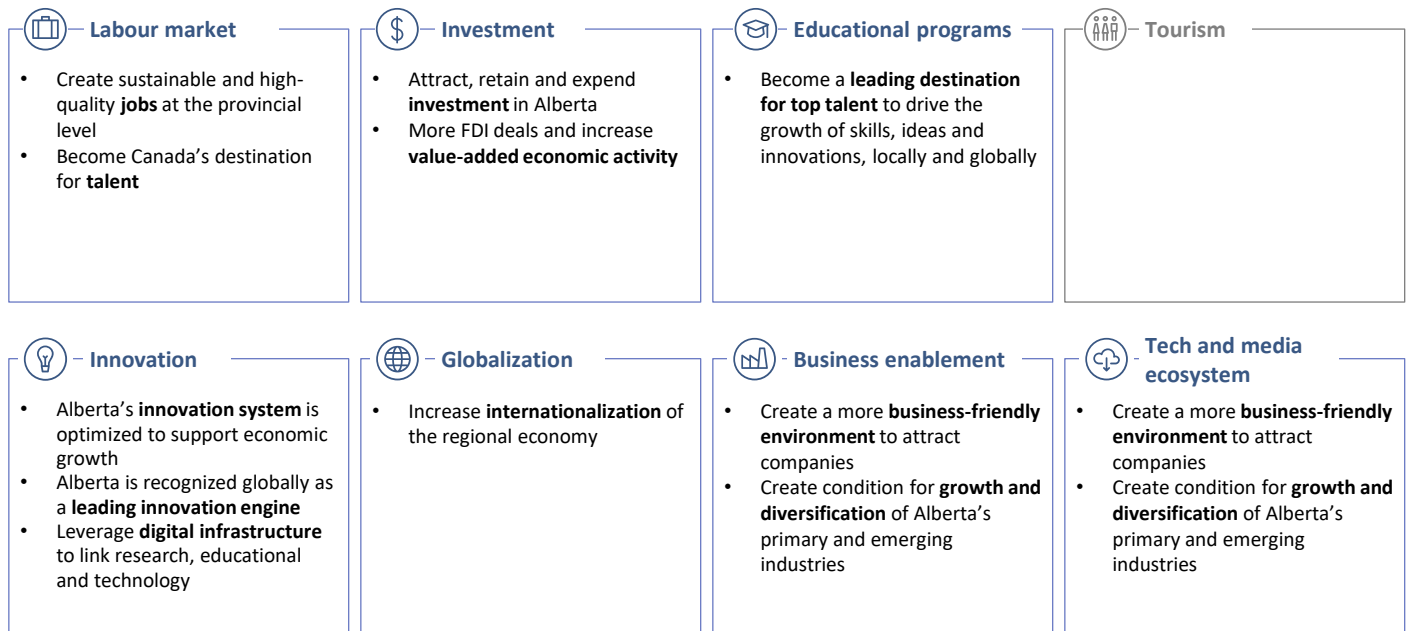
Strong Grassroots Community	<div><div></div><div></div><div></div><div></div><div></div></div>
Place(s) to Play	<div><div></div><div></div><div></div><div></div><div></div></div>
Talent Presence & Pipeline	<div><div></div><div></div><div></div><div></div><div></div></div>
Proper Partners	<div><div></div><div></div><div></div><div></div><div></div></div>

Legend: ■ Priority Focus ■ Secondary Focus ■ Tertiary Focus

Where we'll play

- Esports is part of several industries, including software publishers, data processing and hosting, information services and arts, entertainment and recreation. Each of these industries is further connected with more sectors of the economy either through the supply or the use of goods and services
- Indirectly through those exchanges, the technologies used in esports are reaching many spheres of the economy and are contributing to the enhancement of the innovation economy
- Esports activity brings strategic investment around new and emerging technology to the province in the form of domestic investment from the government and private sector collaborations, as well as foreign direct investment by promoting Alberta as an innovation hub

Economic objectives achieved



Esports as a platform for enhancing the innovation economy

How we'll win

- Ensuring that the skills and knowledge around new technologies are transferred from one sector to another
- Increased competitiveness of the province supported by an enhanced tech and media ecosystem
- Present a value proposition which resonates with global investors
- Working with government to enable activities and policy to further make Alberta an attractive place to do business
- Supporting the growth and collaboration of key innovation ecosystem partners, such as R&D labs, post-secondary institutions, incubators/accelerators, and emerging tech start-ups

Required assets and capabilities

EXISTING ASSETS

- Flourishing ecosystem around emerging tech (e.g. Blockchain)
- Attractive tax landscape for start-ups and businesses

ASSET GAPS

- Lack of game developers producing competitive esports titles
- Lack of gaming industry incentives

EXISTING CAPABILITIES

- Proven track record of supportive success from FDI bodies and tech-focused associations (e.g. Digital Alberta)

CAPABILITY GAPS

- Educational and regulatory gaps surrounding the use and commercialization of emerging technology (e.g. Blockchain, decentralized identification, etc.)

What role will stakeholders play?

FDI INSTITUTIONS should:

- Share success stories coming from Alberta's innovation and esports ecosystem
- Elevate awareness of Alberta's growing innovation ecosystem abroad, including start-ups and esports-related organizations

GAME PUBLISHERS AND DEVELOPERS should:

- Accelerate the adoption of new and emerging technologies through the embedding of innovative elements within games and events (e.g. Blockchain, NFTs, etc.)
- Use gaming as a platform to expand awareness and accessibility of the 'metaverse', and all the innovative opportunities it provides

POST-SECONDARY INSTITUTIONS should:

- Craft and shape talent with the necessary skills required to be attractive employment prospects within Alberta's innovation ecosystem
- Work with innovative and emerging tech organizations to enable attractive work placement programs

INVESTORS should:

- Provide capital resources required to continue to grow innovative businesses and drive adoption of emerging technologies

VENUES should:

- Host events build around innovative companies and include esports and gaming.

Initiatives should be focused around:

- **BUILDING A STRONG, SUSTAINABLE TALENT PIPELINE** instilling talent with required skills and capabilities to be attractive prospects in the 'new economy'.
- **ACCELERATING THE USE OF EMERGING TECHNOLOGIES** by encouraging and enabling the growth of innovative businesses centered around innovation and leveraging new technologies in their products, services and ways of working.
- **ENCOURAGING INCREASED INNOVATION ECOSYSTEM COLLABORATION** through support of digital and innovation focused associations (e.g. Digital Alberta) and through the purposeful crafting of innovation 'hubs' across the province.

Initiatives to enable esports as a platform for enhancing the innovation economy

Initiatives	Stakeholder(s) involved		KPIs
Near term			
Generate a working group to further explore esports industry sector overlaps, and explore trends at the intersection of emerging technology (e.g. Blockchain, VR, gaming, metaverse, etc.)	<ul style="list-style-type: none">Government Innovation bodies	<ul style="list-style-type: none">InvestorsPost-secondary institutions	<ul style="list-style-type: none">Working group formed, with representation across tech, gaming and STEM sectors
Medium term			
Work with government stakeholders to unlock, provide opportunities for, or allocate funding aimed specifically at enabling innovation and technology development related to esports to further make Alberta an attractive place to do business	<ul style="list-style-type: none">Government Innovation bodies	<ul style="list-style-type: none">InvestorsSponsors and Brands	<ul style="list-style-type: none">Increased in business growth and new businesses in esports-related tech industries within the provinceIncrease capital spending from investment and organizations for innovation and new technology development
Develop awareness campaigns with tech entrepreneurs and esports ecosystem stakeholders to further share success stories of fast-growing, innovative organizations within Alberta	<ul style="list-style-type: none">Government Innovation bodies	<ul style="list-style-type: none">InvestorsSponsors and Brands	<ul style="list-style-type: none">Elevated awareness of Alberta’s flourishing innovation ecosystem, including the role esports plays, and successful organizations within the province (measured through recognition amongst indexes and publications, such as WIPO’s global innovation index)
Long term			
Host innovative business events inclusive of esports and gaming elements to allow innovative organizations to interface with prospective talent, and bring further awareness to the business landscape within Alberta.	<ul style="list-style-type: none">Game Developers/PublishersVenues	<ul style="list-style-type: none">Broadcast StudiosTournament Organizers	<ul style="list-style-type: none"># of annual esports events hosted# of participating attendees# of participating organizations
Create a physical innovation hub that can be home to rapidly growing startups, and be a place for meaningful collisions between innovative organizations and stakeholders	<ul style="list-style-type: none">Government Innovation bodies	<ul style="list-style-type: none">InvestorsSponsors and Brands	<ul style="list-style-type: none">Increased number of startups that have a focus on technology and innovationIncreased proportion of tech-focused and innovative startups out of all the new startups

First fast actions

Further explore industry sector overlaps between esports and emerging tech and innovation sectors. Whether it be correlation of talent interest between esports and STEM and tech sectors, or the continuing overlap of games with emerging technologies there is room to explore and further encourage the economic connections between sectors.

Supporting the growth and collaboration of key innovation ecosystem partners. Supporting cooperation and partnerships among key ecosystem partners such as &D labs, post-secondary institutions, incubators/accelerators, and emerging tech start-ups will help to accelerate innovative offerings and adoption of emerging technologies.

Share success stories. Alberta's rapidly growing innovation and tech sectors are, in many ways, the provinces best kept secret; this needs to change. Sharing stories of success around innovation and technology will further catalyze a shift in perception of Alberta on a domestic and international stage.

Risks and considerations regarding esports as a platform for enhancing the innovation economy

Esports' potential impact may not be recognized.

Many people see gaming as simply a past-time or hobby, and don't understand the broad reach it has on other innovative trends (e.g. cryptocurrency, NFTs, cloud computing). Decision-makers and key stakeholders may not make these immediate connections, and overlook how gaming could drive development in these spaces, compared to other opportunities.

Alberta's esports brand may take time to be recognized, and stand out.

Although a youthful industry by all accounts, there are regions that have emerged as early leaders, even within North America, earning first mover advantage from an awareness and recognition point of view. As Alberta attempts to develop a recognized esports ecosystem, the province may encounter challenges as it begins to compete for notoriety.

Esports' potential impact may take years to realize.

The esports industry is still in its early stages and will likely require a long-term horizon to realize its economic benefits. Key decision-makers and stakeholders may be more focused on realizing benefits from lower-risk, and quicker-turnaround initiatives.

Section 5

Overview of Initiatives



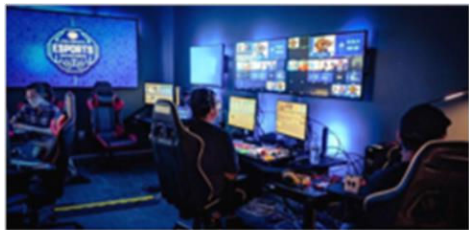
Near—term initiatives and indicators



Bolstering events, travel and tourism



The modernization of education and facilities



Enhancing the Innovation Economy

Initiatives	Stakeholder(s) involved		KPIs
Establish relationships with esports event hosts and production studios to better understand destination requirements/criteria and generate awareness of Alberta's technologically advanced venues	<ul style="list-style-type: none"> Game Developers/Publishers Venues 	<ul style="list-style-type: none"> Broadcast Studios Tournament Organizers 	<ul style="list-style-type: none"> # of relationships established Increased awareness of Alberta's venues
Work with organizers of current large-scale events and venues to embed esports + gaming elements, as well as upskill and educate them on esports event elements	<ul style="list-style-type: none"> Event Organizers Sponsors 	<ul style="list-style-type: none"> Venues 	<ul style="list-style-type: none"> # of large events with esports elements
Bid for, and host, a large, high-profile and recognized esports event	<ul style="list-style-type: none"> Game Developers/Publishers Venues 	<ul style="list-style-type: none"> Tournament Organizers Sponsors Broadcast Studios 	<ul style="list-style-type: none"> # of esports event bids submitted # of esports events hosted
Collaborate with gaming tech and equipment retailers and manufacturers and hotel associations to generate attractive travel packages around events and single travel destinations	<ul style="list-style-type: none"> Sponsors Hotel Associations 	<ul style="list-style-type: none"> Event Organizers 	<ul style="list-style-type: none"> # of packages generated # of packages sold
Develop a working group with representation from across post-secondary institutions to begin meeting at a regular cadence to share best practices and in-flight initiatives around esports	<ul style="list-style-type: none"> Post-secondary institutions AESA 		<ul style="list-style-type: none"> # of schools represented # of municipalities represented
Help establish relationships between esports organizations and post-secondary institutions to inform the crafting of curriculums and credential programs	<ul style="list-style-type: none"> Post-secondary institutions Game developers and publishers 	<ul style="list-style-type: none"> Esports Teams Esports broadcasting studios 	<ul style="list-style-type: none"> # of official partnerships or direct working relationships on curriculum co-creation # of programs developing desired skills and capabilities # of programs developed with experiential/internship components Increase in employment rate for new graduates # of enrollments in esports programs
Generate a working group to further explore esports industry sector overlaps, and explore trends at the intersection of emerging technology (e.g. Blockchain, VR, gaming, metaverse, etc.)	<ul style="list-style-type: none"> Government Innovation bodies 	<ul style="list-style-type: none"> Investors Post-secondary institutions 	<ul style="list-style-type: none"> Working group formed, with representation across tech, gaming and STEM sectors

*Key performance indicators (KPIs) are the critical metrics to track to gauge the success and impact of undertaken initiatives.

Medium—term initiatives and indicators



Initiatives	Stakeholder(s) involved		KPIs
Develop an awareness campaign leveraging digital content and storytelling to raise awareness of Alberta's events	<ul style="list-style-type: none"> Provincial and municipal tourism bodies 		<ul style="list-style-type: none"> Increased awareness of Alberta's capabilities and hosted events
Collaborate with municipalities, tech providers and hotel associations to craft events and packages that extend and increase travel across Alberta and encourage engagement across multiple travel destinations	<ul style="list-style-type: none"> Sponsors Hotel Associations 	<ul style="list-style-type: none"> Event Organizers 	<ul style="list-style-type: none"> # of packages generated # of packages sold Increased average tourist spend and length of stay
Develop and launch an Alberta-wide interscholastic esports league	<ul style="list-style-type: none"> Post-secondary institutions AESA Game publishers and developers 	<ul style="list-style-type: none"> Esports teams Esports broadcasting studios 	<ul style="list-style-type: none"> # of events hosted # of schools participating # of attendees, participants and spectators
Support the development of esports-focused curriculums and credential programs	<ul style="list-style-type: none"> Post-secondary institutions AESA 	<ul style="list-style-type: none"> Government education bodies 	<ul style="list-style-type: none"> # of esports-focused programs and credentials offered # of programs developed with experiential/internship components # of esports instructors # of enrollments in esports programs
Support the development of esports-focused spaces, and acquisition of esports-enabling equipment	<ul style="list-style-type: none"> Post-secondary institutions Government education bodies 	<ul style="list-style-type: none"> Sponsors and Investors 	<ul style="list-style-type: none"> # of college and university esports venues # of college and university esports teams
Work with government stakeholders to unlock, provide opportunities for, or allocate funding aimed specifically at enabling innovation and technology development related to esports to further make Alberta an attractive place to do business	<ul style="list-style-type: none"> Government Innovation bodies 	<ul style="list-style-type: none"> Investors Sponsors and Brands 	<ul style="list-style-type: none"> Increased in business growth and new businesses in esports-related tech industries within the province Increase capital spending from investment and organizations for innovation and new technology development
Develop awareness campaigns with tech entrepreneurs and esports ecosystem stakeholders to further share success stories of fast-growing, innovative organizations within Alberta	<ul style="list-style-type: none"> Government Innovation bodies 	<ul style="list-style-type: none"> Investors Sponsors and Brands 	<ul style="list-style-type: none"> Elevated awareness of Alberta's flourishing innovation ecosystem, including the role esports plays, and successful organizations within the province (measured through recognition amongst indexes and publications, such as WIPO's global innovation index)

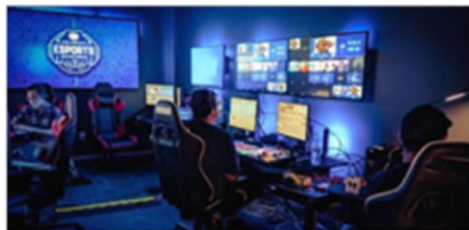
Long—term initiatives and indicators



**Bolstering events, travel
and tourism**



**The modernization of education
and facilities**



**Enhancing the Innovation
Economy**

Initiatives	Stakeholder(s) involved		KPIs
Establish a perennial large, recognized esports event within Alberta.	<ul style="list-style-type: none"> Game Developers/Publishers Venues 	<ul style="list-style-type: none"> Broadcast Studios Tournament Organizers 	<ul style="list-style-type: none"> # of annual esports events hosted
Share stories of success internationally to elevate Alberta's brand as a top-tier talent destination	<ul style="list-style-type: none"> Post-secondary institutions Government education bodies 		<ul style="list-style-type: none"> Elevated awareness of education opportunities within Alberta Increased enrolment rates at Albertan colleges and universities
Host innovative business events inclusive of esports and gaming elements to allow innovative organizations to interface with prospective talent, and bring further awareness to the business landscape within Alberta.	<ul style="list-style-type: none"> Game Developers/Publishers Venues 	<ul style="list-style-type: none"> Broadcast Studios Tournament Organizers 	<ul style="list-style-type: none"> # of annual esports events hosted # of participating attendees # of participating organizations
Create a physical innovation hub that can be home to rapidly growing startups, and be a place for meaningful collisions between innovative organizations and stakeholders	<ul style="list-style-type: none"> Government Innovation bodies 	<ul style="list-style-type: none"> Investors Sponsors and Brands 	<ul style="list-style-type: none"> Increased number of startups that have a focus on technology and innovation Increased proportion of tech-focused and innovative startups out of all the new startups

Section 6

Conclusion



How to use this report and get started



Begin socializing report outcomes and objectives with key stakeholders including both public and private sector stakeholders to begin generating momentum.



Stay nimble, learn fast. Things change very quickly in the world of esports, change with them. Don't be married to one idea and stay open minded.



Don't do it alone. Alberta contains a plethora of interested, and supportive partners. Use them to enhance offerings and ensure success, while bringing them along for the learning journey.

Esports is *not* a silver bullet, nor is it a quick return. However, executed correctly, esports can enable organizations and individuals to become more economically contributive, and grow a sustainable, flourishing ecosystem that has ripple effect benefits felt across the province. With current momentum from grassroots initiatives, and through further exploration, Alberta can become home to a leading and recognized esports ecosystem that acts as a powerful economic engine.

Section 7

Endnotes



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Section 8

Appendices

Appendix A – Alberta Economic Landscape

Appendix B – Analytical Approaches

Appendix C – Esports Industry Primer

Appendix D – Industry Stakeholders

Appendix E – Global Trends - Esports

Appendix F – Jurisdictional Scan

Appendix A

Alberta Economic Landscape



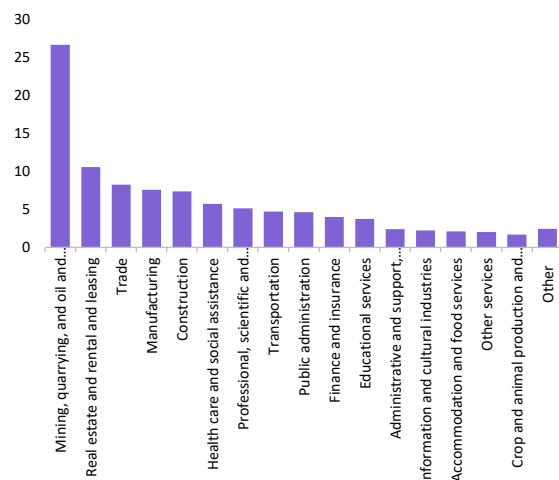
Alberta's economic outlook

Alberta's economic context

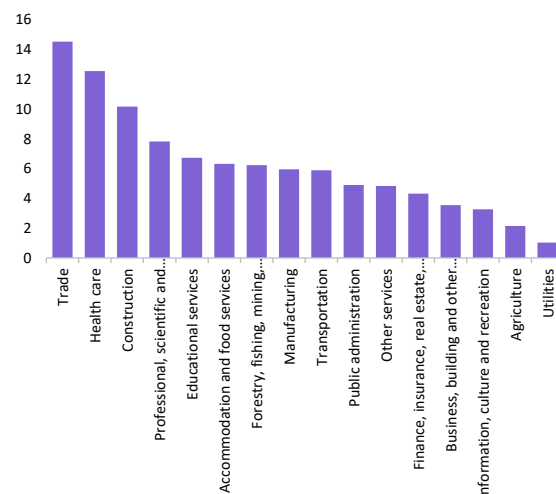
Alberta's GDP contracted by 8% in 2020, the most significant decrease among the Canadian provinces. Alberta's economy is currently recovering from the COVID-19 pandemic, and its rebound is mostly driven by activity in the global oil and gas markets.

Alberta's initial economic rebound may seem positive, but its dependence on the oil and gas industry presents a structural challenge. More than a quarter of the province's economic output in 2019 was from the oil and gas industry, which means that a shock in the oil and gas industry has a substantial effect on Alberta's economy. This is evident through the events of 2015, with events with similar outcomes likely to occur in the future, such as through the implementation of the new carbon tax.

GDP contribution by industry (in %), Alberta, 2019



Employment contribution by industry (in %), Alberta, 2019



Sources: Statistics Canada, Deloitte Economics

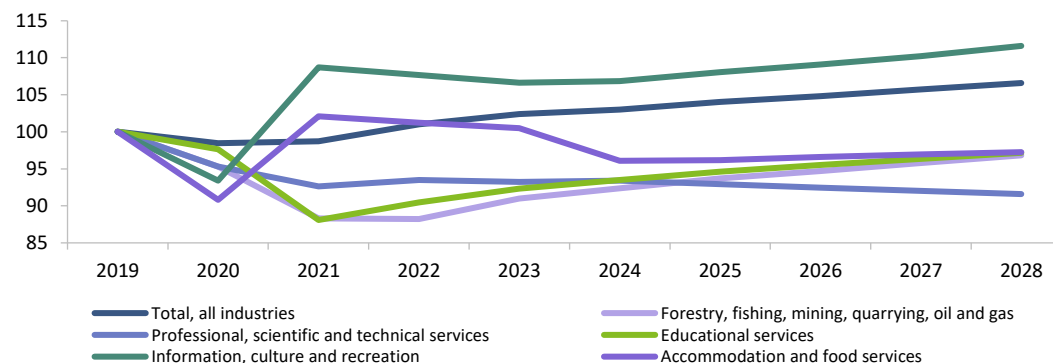
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Alberta's economic forecast

Alberta's economy is set to recover completely from the COVID-19 shock during 2022. However, some industries will only reach their pre-pandemic level years later, key examples include resource sectors of the economy such as mining, quarrying, and oil and gas extraction sector, which is expected to recover completely in 2024. However, industries like accommodation and food services, and arts, entertainment and recreation were also largely affected by lockdown measures and are not expected to go back to their pre-pandemic level before 2028. On the flip side, the information and cultural industries, which include activities such as digital interactive media among others, recovered completely from the pandemic-created recession this year and this sector is expected to grow at an annual rate of 4% in 2021 and 2022, which will serve as a key driver of economic growth and sector diversification for the province.

In terms of productivity, it will take an even longer time for sectors like oil and gas, education and accommodation to go back to their pre-COVID level. However, productivity in the information, culture and recreation sector is forecasted to grow beyond its 2019 level in 2021 and to continue on this path for the following years.

Productivity growth by industry, Alberta
Index 100 = 2019



Sources: Statistics Canada, forecasts by Deloitte

Alberta's economic outlook

Alberta's economy has areas of strengths that can be leveraged, through concentrated efforts, to address identified challenges



Key Strengths

Housing market: Housing prices are more affordable in Calgary and Edmonton than most of the other large Canadian cities. The average sales price in Calgary is \$461,000 compared to \$1.16 million in Toronto. This is a significant incentive for individuals looking to relocate or settle in Alberta.

Demography: Alberta has the highest natural growth rate of population among all the Canadian provinces. The population is also younger than average and that is key factor that allows Alberta to boast the highest rate of labour force participation across the provinces.

Natural assets and tourism: Alberta is known for its natural assets, which attract millions of visitors every year. The tourism sector contributed \$6.5 billion to Alberta's GDP in 2019 and there were 68,000 tourism job, making this is a significant strength for the province and a key driver for economic growth of the province.

Competitive business cost: Alberta has a tax advantage compared to most provinces, it has no sales tax, no payroll tax and no health premium. This is an advantage for Alberta as it attract and retains businesses and employers in the province by offering lower cost structures which differentiates it from other provinces.



Key Challenges

Lack of diversification in economic sectors: The province relies on the oil and gas sector, which make it more susceptible to business cycle booms and busts and to market fluctuations (i.e., oil crash, cancellation of key resource projects, etc.), thus inducing a call for economic diversification.

Regional variance in economic landscape: Close to 67% of rural communities and 80% of Alberta's Indigenous households do not have access to broadband internet and most of Alberta's economic growth is coming from the two urban centers, Edmonton and Calgary. For the province to move towards a more digitalized economy, efforts to increase access to internet and digital services to all communities is a need to be addressed.

Working age Albertans leave the province: Student and young professionals in Alberta are more likely to leave the province when compared to elsewhere in Canada, making it difficult for the province to retain professions that will be required to help it diversify its economy and capitalize on the move to a more digital economy.

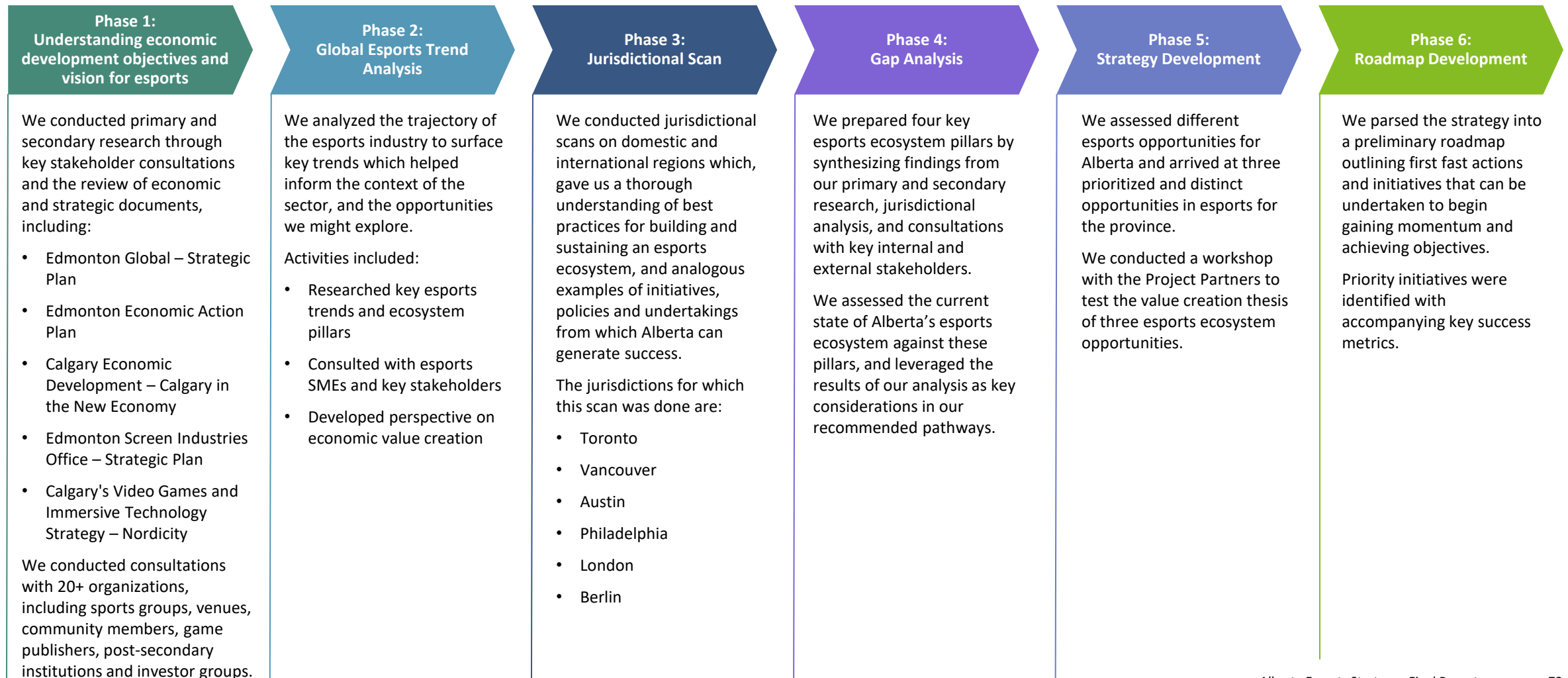
Appendix B

Analytical Approaches



Summary of approach

This report was crafted upon a foundational knowledge base developed through extensive primary and secondary research including literature and document review, scans of international jurisdictions, and consultations with experts and key stakeholders.



Summary of approach

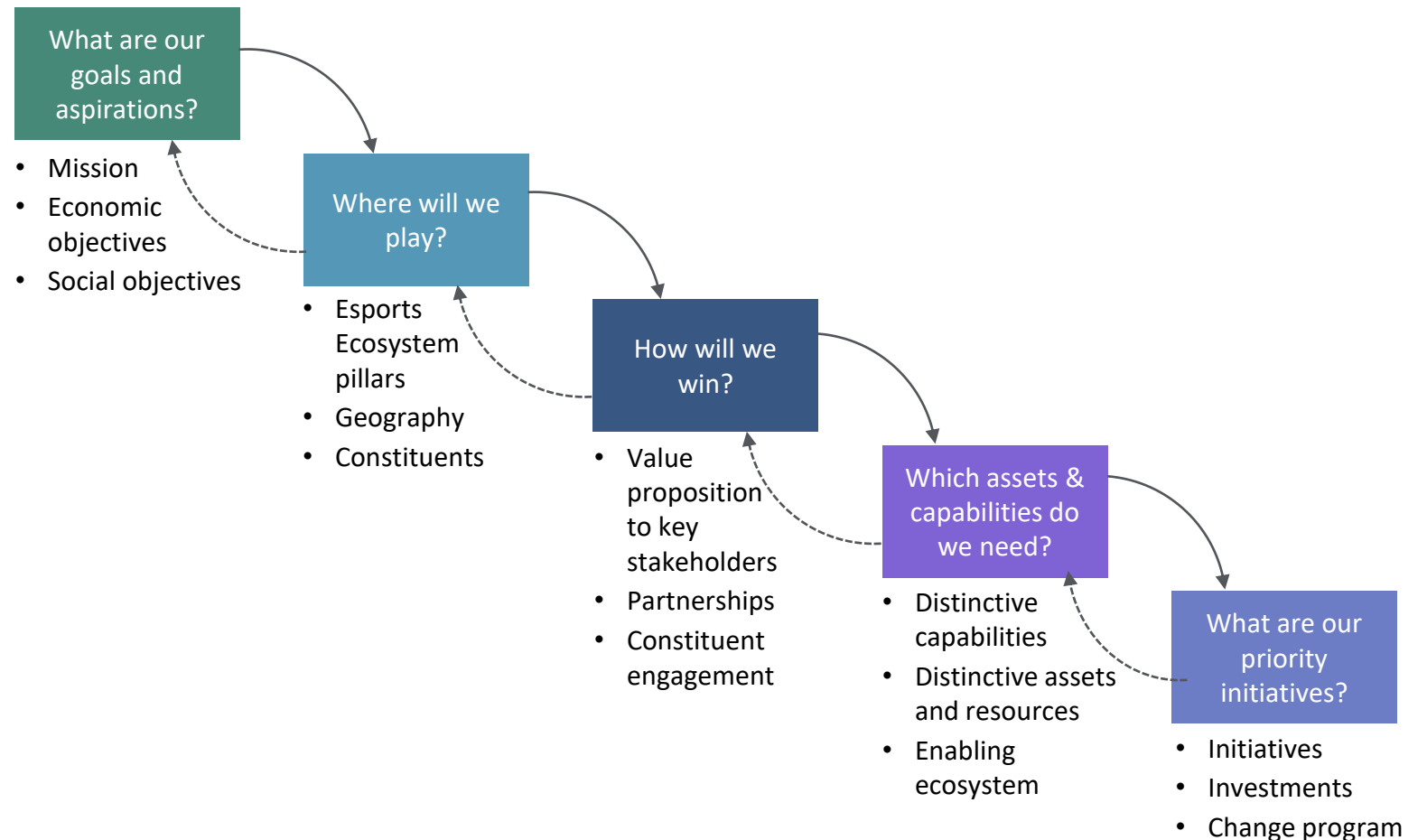


Strategy development and roadmap

The Strategic Choice Cascade framework was developed by Roger Martin - a pioneer in strategic thinking, author of *Playing-to-Win*, and previous Partner at the Monitor Group (now Monitor Deloitte).

At its core, the Strategic Choice Cascade reinforces the idea that strategy is a set of interrelated choices that uniquely positions an organization to create long run sustainable advantage over their competition.

We leveraged this framework to facilitate candid and deliberate conversations with project participants about key choices to make to create, develop, and evolve strategies. Additionally, we present our strategy recommendations under this frame.



How we arrived at our “Where to Play” choices



Where to play choices and prioritization approach

‘Where to play’ choices were conceptualized and prioritized through a **balanced breakthrough approach** balancing three key considerations:

What will achieve our economic objectives?

- Which paths forward best enable Alberta to achieve its economic and social objectives?

What will lay the foundation for a flourishing esports ecosystem?

- Given that our goal is a sustainable esports ecosystem, what paths help create or enhance the foundational esports ecosystem pillars from which a burgeoning esports ecosystem can grow?

How might we leverage Alberta’s strengths?

- Given the comparative and unique advantages and strengths of the province, and considering the obstacles, roadblocks and challenges faced, which path forward presents a viable and achievable path forward?



Appendix C

Esports Industry Primer



Objective



What is the purpose of this esports industry primer?

To kick off our research, we crafted this **Esports Industry Primer**, meant to develop a consistent, unified understanding of the esports ecosystem and its foundational elements. The document is positioned to be approachable to audiences with varying levels of esports knowledge, bringing all involved to the same starting line.

Ultimately, a clear, shared idea of the esports ‘sandbox’ will enable us to have productive and realistic conversations on the art of the possible.

The document aims to:

- Provide an holistic overview of the **current ‘state of play’ of esports** from an economic and demographic perspective
- Provide a **birds-eye-view of the esports ecosystem**, key stakeholders, and their interactions
- Provide a **‘double-click’ into each key stakeholder group**, including a deeper look into their role and the economics of their operations, as well as key considerations for the province of Alberta



What is esports?



Esports is an umbrella term used to describe any form of **competitive video gaming**.

This often includes elements of:

- Competitive play for prizes or money
- An active and involved community
- Infrastructure supporting leagues and tournaments
- Large offline and online audiences

Events, tournaments and leagues range from large international championships, to grassroots community weekly tournaments, and take place online or in-person (Local Area Network [LAN]).

Esports are often broken down into categories of **game genres**, notably the following:

First-Person Shooters	Multiplayer Online Battle Arenas (MOBA)	Strategy	Racing	Fighting	Sports
e.g. Call of Duty, Overwatch	e.g. League of Legends, DOTA	e.g. Hearthstone, Starcraft	e.g. Formula1, iRacing	e.g. Super Smash Bros., Street Fighter	e.g. NBA 2k, Madden NFL

Esports is ultimately the most visible competitive fringe of the larger video game industry, and its related activities provide the basis for:

- Fan engagement
- Content creation and distribution
- Innovative marketing
- Destination tourism
- Integrated partnerships
- Technological innovation
- Digital education



What sets esports apart from sports?

1. International in nature

Both competitive games and teams are often not tied to specific jurisdictions lending itself to large international followings and the creation of cross-continental rivalries.

2. Innovative digital distribution model

Esports are primarily broadcast through streaming sites, many of which have innovative features that enable a more interactive, immersive viewing experience than linear broadcast.


3. Democratization of participation

The barrier to entry for esports participation, especially mobile esports, is incredibly low, enabled by the lack of intense physical skills and equipment typically needed in most traditional sports.

4. Role of the Game Publisher and IP

Unlike traditional sports, game publishers own and license the IP rights to their competitive titles, giving them creative and commercial power over events that leverage their IP. In contrast, the NBA cannot put a stop to a grassroots basketball tournament while a game publisher can legally pull the plug on events that they have not approved or which do not meet their community guidelines.

Economic state of esports – Demographics



Key Characteristics of Esports Fans

1. ‘Esports Participants and Fans’ are not a monolith

A hockey fan, basketball fan, and baseball fan are all different, and each cohort is characterized by its own unique demographics; it would be relatively unhelpful to group and approach them all as ‘sports fans’. The same phenomenon exists in esports – different game genres and titles command often wildly different demographic profiles that reflect, for example, in participation and viewership rates (Figure 1).

2. Esports Participants and Fans trend younger

Esports, from both a competitor and audience perspective, trends materially younger than traditional sports (as evidenced in Figure 2). This is likely due to generational shifts in digital savviness and familiarity with emerging technology, as well as the low barrier to entry around esports viewership and participation. While the average age of an esports fan has been stagnant or decreasing slightly every year, the average age of traditional sports fans has been jumping every year, further exacerbating this trend. In fact, Gen Z and Millennials cite that they spend more leisure time playing games than using social media or streaming movies and TV series.

3. Esports Fans are one of the quickest growing segments in North America

Although esports in North America lags behind the respective scenes in Europe and Asia (mainly from a cultural and infrastructure point of view), the esports audience is growing at a quicker rate here. There has been over 26.6 million monthly esports viewers in 2021, up 11.4% from 2020, and continuing to grow.

Source: Newzoo

Figure 1

ESPORTS: A BREAKDOWN OF FIVE KEY FRANCHISES’ FANS



Figure 2

Sport	Average Age of Fan
Major League Baseball	29.2
National Hockey League	27.4
National Basket Association	26.8
Super Smash Bros. Melee	25.2
Counter Strike: Global Offensive	23.4
League of Legends	21.2

Source: ESPN

Industry overview – Key stakeholders

Below is an industry overview sourced from the Vancouver Esports 2021 report which has been evolved and augmented to include other key stakeholders we feel are critical to capture to provide a holistic economic perspective.



Sources: Vancouver Esports Strategy

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Additional Stakeholders

Post-Secondary + Educational Institutions



Responsible for providing the expertise and education to develop a leading talent pipeline for commercial roles and careers within each key stakeholder group.

Path-to-Pro + Development Leagues



An interconnected collegiate and/or development league is a critical ecosystem pillar that creates a leading pipeline for competitive talent to be sourced and drafted into leagues and onto teams.

Municipal + Provincial Government and Institutions



Government bodies and related public institutions play a foundational role in the esports ecosystem by shaping the cultural and regulatory framework within which all other stakeholders must acquiesce to.

Appendix D

Industry Stakeholders



Game publishers + developers

Role

Develop, distribute, and maintain games. Publishers also operate the “franchised” leagues, such as Activision Blizzard with Overwatch and Call of Duty, and Riot Games – League of Legends.

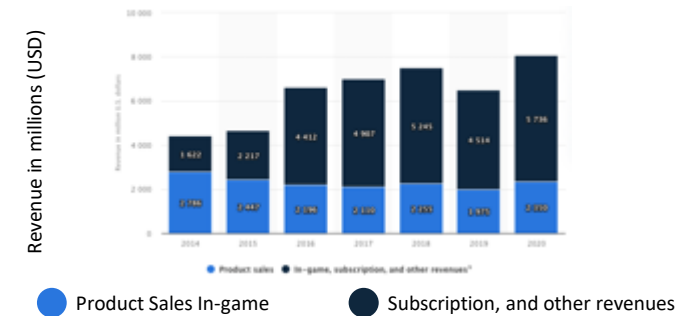
Publishers include:



The Economics

Typically, revenue is earned through game sales and distribution, as well as licensing of IP. This can take the form of direct game sales, ongoing subscriptions, in-game purchases, and content license deals. Publishers also earn revenue as part of their share/ownership of owned/operated franchised leagues.

Net revenue generated by Activision Blizzard from 2014 to 2020



Source: Statista



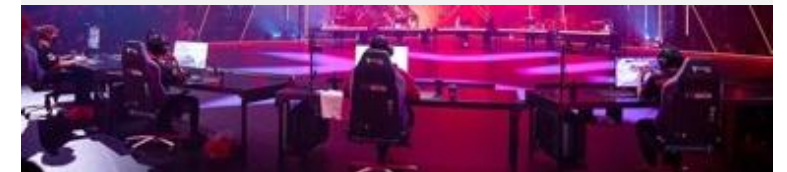
Highlight – Riot Games



Riot Games is an American video game publisher with 24 offices worldwide, headquartered in Los Angeles, California. In addition to producing a variety of popular game titles, Riot operates 15+ international esports leagues, including the League of Legends Championship Series, and the Valorant Champions Tour.

Additionally, Riot Games has licensed and leveraged their IP in all facets of multimedia, including TV shows (Netflix) and music (Spotify).

- **League of Legends generated \$1.75B in revenue in 2020.**
- **League of Legends World Championship generated a 23.04M average minute audience.**
- **League of Legends had 125M monthly players in September 2021.**



Valorant Masters Tournament 2021 – Reykjavik, Iceland

Key Considerations for Alberta

- **How might we** create direct and indirect economic incentives to encourage publishers and developers to enter the province?
- **How might we** leverage esports as a catalyst for augmenting our human capital in ICT?
- **How might we** ensure a strong and diverse talent pipeline equipped with skills and capabilities desired by publishers and developers?

Esports media stakeholders

Role of Streaming Platforms

Develop, distribute, and maintain games. Publishers also operate the “franchised” leagues, such as Activision Blizzard with Overwatch and Call of Duty, and Riot Games – League of Legends.

Platforms include:



Twitch



Facebook
Gaming

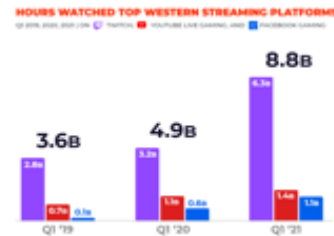


Youtube
Gaming

The Economics of Streaming Platforms

Streaming platforms primarily earn revenue from two sources:

- Advertising, on both channels and across the platforms including sponsorship of platform-exclusive events.
- Cut of subscriptions and interactive paid elements, paid for by viewers in support of their favorite creators and channels



Source: StreamHatchet

Broadcast Studios

Production Studios are being created that are purpose-built for esports, leveraging best-in-class digital media, augmented reality, and interactivity enabled by a variety of streaming platforms.

These studios are engaged, typically by publishers and tournament organizers, to host and facilitate the broadcast of their events.



Highlight – Waveform



Waveform Entertainment is a Canadian esports entertainment company specializing in full services esports solutions, including creative and design, technologies, event execution, brand solutions, digital marketing, sponsorships, and virtual and live production services.

With its proprietary event platform and production software, the company is able to produce impressive virtual events and reach online audience of varied clients from the video game and entertainment industries, and the corporate and government markets.

- **Waveform has worked with major industry players like Ubisoft, Dreamhack, Cineplex and major esports events, as well as teaming up with well-known brands and partners including NXNE, AMD and CSL.**



Valorant Masters Tournament 2021 – Reykjavik, Iceland

Key Considerations for Alberta

- **How might we** support the development and ongoing creation and/or maintenance of world-class esports production studios?
- **How might we** develop a talent pipeline with expertise in esports unique digital distribution model?
- **How might we** leverage esports media for creating high-value jobs and positively contribute to Alberta’s economic growth?

Professional esports leagues, teams + players

Role

Professional esports leagues form the foundation and structure for teams and players to compete and flourish. Teams often compete in more than one esports title and genre. Today, esports leagues are organized in two models:

- **Franchised:** similar to traditional sports, teams represent a city or jurisdiction and compete against the other franchised teams who have bought into the league.
- **Regionalized:** teams are attached to broader regions (e.g. APAC, EU, etc.) and compete through series of qualifiers to earn their place in championship events.

The Economics

Professional leagues typically operate on a revenue-share basis, with teams buying into the league to earn their place to compete and earn their split of broadcast rights and event ticket sales. This franchise value accrues and contributes to a team's value and earnings, alongside the other revenue sources of sponsorship, advertising, merchandise, and tournament winnings. Players, if they command a large enough following and star power, often earn through a plethora of sponsorships and endorsement deals in addition to their split of winnings, as well as through individual channel subscriptions on streaming platforms.

Key Considerations for Alberta

- **How might we** invest in esports leagues, teams and players as a conduit to broader esports activity?
- **How might we** assist in the development of top-level esports talent, from both a management and competitive point of view?
- **How might we** position Alberta, and its jurisdictions, as an attractive franchise location for a North American competitive esports league?



Highlight – Professional League



Call of Duty League (CDL) is a professional esports league for the video game series Call of Duty, produced by its publisher Activision. The Call of Duty League follows a set of 12 permanent, city-based teams backed by separate ownership groups. CDL's 2021 Grand Finals achieved a peak viewership of over 500,000+ across streaming platforms.



Highlight – Professional Team



Toronto Ultra is a Canadian professional CDL esports team owned and operated by OverActive Media. Having purchased the franchise slot for a rumored \$25M, Toronto Ultra has achieved notable success finishing 2nd in the 2021 edition of the league.



Highlight – Professional Player



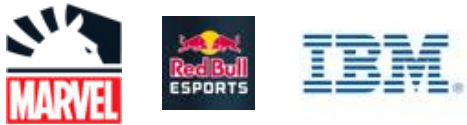
Scump, belonging to Optic Chicago's CDL team, is one of the most successful contemporary Call of Duty players. Being a previous Call of Duty World Champion, Scump commands a social following of over 2.5M followers across his socials, far eclipsing his own team's follower count.

Sponsors, brands and investors

Role

Sponsorships provide capital to tournament and endorse professional league and team. Other than endemic sponsors, nonendemic brands, which are sponsors offering goods and services that are not directly related to esports, are investing in esports and they are actually starting to dominate the sector.

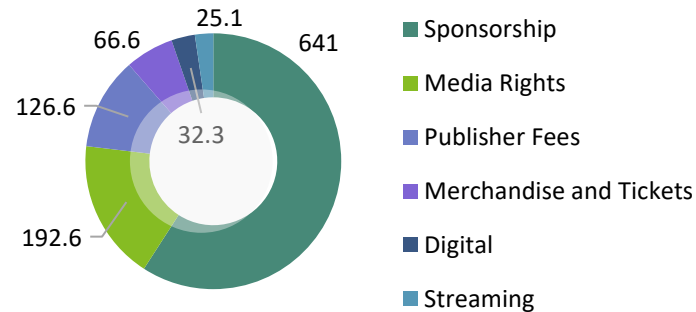
Brands sponsorship include:



The Economics

Most of the revenue of the esports industry comes from sponsorship. Corporations and individuals are interested in developing brand sponsorships within the esports industry and take advantage of its important expansion.

Global Esports Revenue Streams
Millions USD, 2021



Key Considerations for Alberta

- **How might we** create direct and indirect economic incentives to encourage sponsors, brands and investors to support the provincial events and teams?
- **How might we** create an adequate ecosystem that will attract large investors and brands sponsorship in order to raise enough capital?
- **How might we** leverage large investors and brands sponsorship to drive economic growth through important investment?



Highlight – Endemic Sponsors

intel ESL

Intel's sponsorships into esports has been larger than any other companies. It has partnerships with esports leagues, brands and publishers. Intel is the global technology partner of the Electronic Sports League (ESL), they have been collaborating for 20 years now.



Highlight – Nonendemic Sponsors



TD Bank has decided last year to invest in the esports industry through its first partnership with the Toronto Defiant. TD has committed to provide support for the esports community, Defiant players and their fanbase.



Highlight – Investor Group



Canucks Sports & Entertainment, the owner of the NHL's team Vancouver Canucks, is also the owner of the esports team Vancouver Titans since 2018.

Venues + facilities

Role

Venues and facilities are integral to the development of an esports infrastructure. Gaming, at its core, should be a communal experience, and brick-and-mortar locations provide an opportunity to build communities, and add an extra layer of personalization to the gaming experience.

Local Area Network ("LAN") parties have deep roots in the history of gaming and are one of the best conduits in developing long-lasting networks within an otherwise distant environment.

The Economics

Venues and facilities typically generate their revenue from hosting events. These events can range from weekly tournaments, to one-time grand championships.

Similar to traditional sports, additional revenue can be generated from standard hospitality amenities, such as concession and merchandise.

Key Considerations for Alberta

- **How might we** identify the best existing assets that can be used for esports and gaming as an ancillary use-case and revenue stream?
- **How might we** create a sustainable business model with diversified revenue streams such that there isn't an overreliance on one activity?
- **How might we** leverage best practices from other industries and their use of venues and facilities to further optimize the opportunities available to us?



Dedicated Gaming Venues



The **HyperX Esports Arena** in Las Vegas, embedded within the Luxor Hotel and Casino, is a dedicated space that hosts events, and provides a gaming space for visitors.



Mixed Use Venues



Roy Thompson Hall, a concert hall in Toronto better known as the home of the Toronto Symphony Orchestra, was selected as the home venue for the local Call of Duty team. Esports opportunities can be used to increase occupancy rates for venues during down time.



Training Centers



Team Liquid's Alienware Training Facility is a 9,000 square foot building created with the exclusive purpose of providing a space for the athletes to practice. There are rooms for personalized scrimmages, replay screenings, and conferences, among others.

Developing elements (e.g. digital media platforms, betting platforms, etc.)

Role

In addition to the common stakeholders in gaming and esports, there is a new wave of entrants who are looking to leverage the evolution of a new, digital media platform.

These range from those creating betting platforms to capitalize on the large competitive nature, those looking to create collegiate opportunities to attract young students, and those who are focused on creating a 'pathway to pro' system for up-and-coming players.

The Economics

With unlimited possibilities to create and develop new opportunities within a growing landscape, the economics behind these elements are subject to innovation as well. These areas can present plenty of opportunities for investment, including:

- Development leagues
- Multi-use venue facilities
- Virtual and augmented reality infrastructure

Key Considerations for Alberta

- **How might we** leverage our existing network, both in esports and in other traditional industries, to best identify and capitalize on upcoming opportunities in esports?
- **How might we** insert ourselves rapidly, yet effectively, into these current developing elements to take advantage of somewhat proven products and services?
- **How might we** identify unique characteristics to Alberta that may help identify and focus on developing specific opportunities?



Esports Betting



A pioneer in the esports betting landscape, **Unikrn** is one of the largest esports betting platforms in the world. The company processed more than \$16B esports wagers in 2020 and was acquired in 2021 for approximately £50M.



Collegiate



Post-secondary institutions all over the world, including the **University of Toronto**, have introduced esports scholarships to attract prospective students on the fence with their enrolment, while many others have official esports teams and clubs to foster communities.



Pathway to Pro



Many young players often lack the network, mentorship, and/or support, opting instead to grind out games for recognition. Companies like **eFuse** are attempting to create a bridge to help aspiring professionals reach their dreams.

Post-secondary institutions

Role

Post-secondary institutions are playing an increasingly important role in the esports industry; as the space continues to formalize and grow, becoming more engrained in culture, many are looking to get involved and build careers within it. Doing so, requires a formal education drastically increasing the need for formal programs, curriculums, and instructors. Post-secondary institutions are increasingly partnering with other key stakeholder groups, including publishers and competitive teams for co-op and internship opportunities.

The Economics

Post-secondary programs focused on esports, while not having a direct economic contribution relatively speaking, play an invaluable role of serving as a foundational pipeline for talent and expertise.

There exists a growing demand for esports programming, and jurisdictions with post-secondary institutions that have been quick to adopt esports curriculum in education have quickly become powerhouse regions in their own right, helping empower a grassroots community and ecosystem through education. Furthermore, esports related activities within these institutions serve as a key characteristic to attract prospective students.

Key Considerations for Alberta

- **How might we** support the creation and delivery of leading esports programs and curriculums within the province?
- **How might we** leverage esports to achieve Alberta's broader post-secondary education objectives?
- **How might we** help attract leading expertise and instructors to bolster new and existing esports programs?
- **How might we** support the creation of academic-commercial partnerships between industry stakeholders and post-secondary institutions?



Highlight – Mount Royal University



Mount Royal University offers an **Esports Management Certificate** through its Faculty of Continuing Education and Extension, and in partnership with the prestigious University of California, Irvine Division of Continuing Education.

The certificates courses help instill skills around communication and project management, all aimed at enabling students to successfully plan and execute an esports event. The certificate also goes 'behind-the-scenes', exploring the structure of esports organizations and lifting the hood on the economic engine that drives the space.

This program helps contribute to the momentum already garnered in the space by the student body, which has a rich esports community.



Mount Royal University – Super Smash Bros. Tournament

Appendix E

Global Trends - Esports



Trend #1 – The rise of cloud gaming



Description

What is cloud gaming anyways? Today, you boot up your game on your console or computer, and it runs as fast as the processors inside your box. The simplest way to understand cloud gaming is that that ‘box’ no longer lives within your room; instead, it lives in a datacenter full of servers, often far away. Instead, games are streamed, much like how you’d stream a video or movie, but these videos are interactive and reactive to your inputs. Every time you press a button, that input gets sent to a remote server, tells the game what you’ve done, and sends you a new video frame that shows you the result.

Where is cloud gaming headed? Cloud gaming is expected to grow from USD \$432M in 2020 to reach USD \$3,256.7M by 2026, at 43.2% annual CAGR during that time, led by increasing focus and efforts from large tech players creating and evolving their own cloud gaming services, such as NVIDIA, Google, Microsoft, Amazon and more. This growth is expected to be driven by the proliferation of smartphones across the world, on which cloud games can be played, coupled with the increased focus of social networking firms in acquiring cloud game providers for improving engagement with consumers. However, slow technological advancements and a lower viable functionality for the current generation of cloud gaming software can hamper the growth in the near future.



Esports Implications

Increased accessibility

Cloud gaming lowers the equipment barrier to entry for playing newly published games that have high strains on equipment, meaning more people can play more games.

Increased Social Gaming

Cloud gaming provides increased functionality and features that enable joint social gaming experiences, such as sharing games or sending game-states.

Alternative Game Sales Models

Cloud gaming enables, like streaming services, a subscription-based model among others, redefining game ownership and cost-to-play.



An image depicting Xbox's cloud gaming service 'Project xCloud' which enables individuals to play Xbox games on their phone.

Trend #2 – The rise of mobile gaming



Description

What is mobile gaming anyways? Mobile gaming is, simply put, any form of gaming on mobile devices and/or tablet devices. This can include everything from competitive mobile titles (such as PUBG Mobile or Call of Duty Mobile) to more casual and even hyper-casual games (such as Candy Crush or Temple Run). In fact, many statistics focused on the demographics of gaming are often heavily impacted by those who mobile games on their commute, on their break at work, or simply at home as a substitute to more complex console or PC gaming.

Where is mobile gaming headed? Accelerated more by the COVID-19 pandemic than other forms of gaming, mobile gaming is expected to grow into a USD \$153.5B industry by 2027, from \$71.9B last year in 2020, representing a CAGR of 11.5%. Like cloud gaming, the growth of mobile gaming will be tied directly to the increased use of smartphones. Most of this growth will be observed in developing countries where smartphones are the most affordable gaming platform, compared to consoles and PCs. With continuously rising prices on key console and PC components, namely graphics processing units (GPUs), and general chip shortages, mobile gaming may see even faster growth in the coming years.



Esports Implications

Increased gamers + gaming

As mobile penetration increases, and phones become increasingly powerful, mobile gaming will increase, steadily funneling more consumers into this space.

Increased diversity and representation

Gender representation within mobile gaming is quite representative (nearly a 50/50 male/female split), meaning that as mobile gaming grows as a subset of the broader gaming space, so will more equal representation.

Rise of Mobile Esports

As the mobile player base grows, and as more publishers release competitive mobile titles, there will be a material increase in mobile esports events and leagues, further growing the space.



An image depicting the inaugural Clash of Clans mobile esports finals which was equipped with a \$700,000 prize pool.

Trend #3 – Path-to-pro development



Description

What is the Path-to-pro anyways? In traditional sports, there exists a consistent, structured development pathway which prospective professional athletes often follow or move through to begin and, ultimately, live out their careers. This often includes scouting at a high-school level, a provision of post-secondary scholarships, and often spending time in development leagues or programs (eg: G League in the NBA) before being drafted or recruited onto professional teams. This structured process does not exist in the esports space, leading to a very inconsistent and challenging path-to-pro for players, and putting a large burden on competitive teams to intensely search for talent.

Where is Path-to-pro development headed? As the pathway to becoming a professional esports player begins to form, we're seeing the rise and influx of many supporting elements, including:

- Esports competitive and educational programs at post-secondary institutions around the world (5000+ institutions around the world have either an esports management program, or on-campus competitive facility)
- Development leagues and qualifying events being crafted to help create a fairer chance for diverse talent to be noticed and drafted/signed
- Players demanding unifying standards and work conditions, as players are trending to be scouted at younger ages



Esports Implications

Increased competitive opportunities

A structured development path begets more fair, diverse and achievable competitive opportunities with esports teams, leagues and entities.

Robust competitive leagues and events

Leagues and events will begin to craft more holistic development levels and qualifying events to better source and scout talent from B and C tier organizations.

Increasing need for players association

As esports continues to formalize, especially with development pathways at a collegiate level, there will be an increased need for an association that represents player interests and can ensure fair and safe work conditions.



An image depicting a match within the Overwatch League's Contenders League – Overwatch League's development league.

Appendix F

Jurisdictional Scans



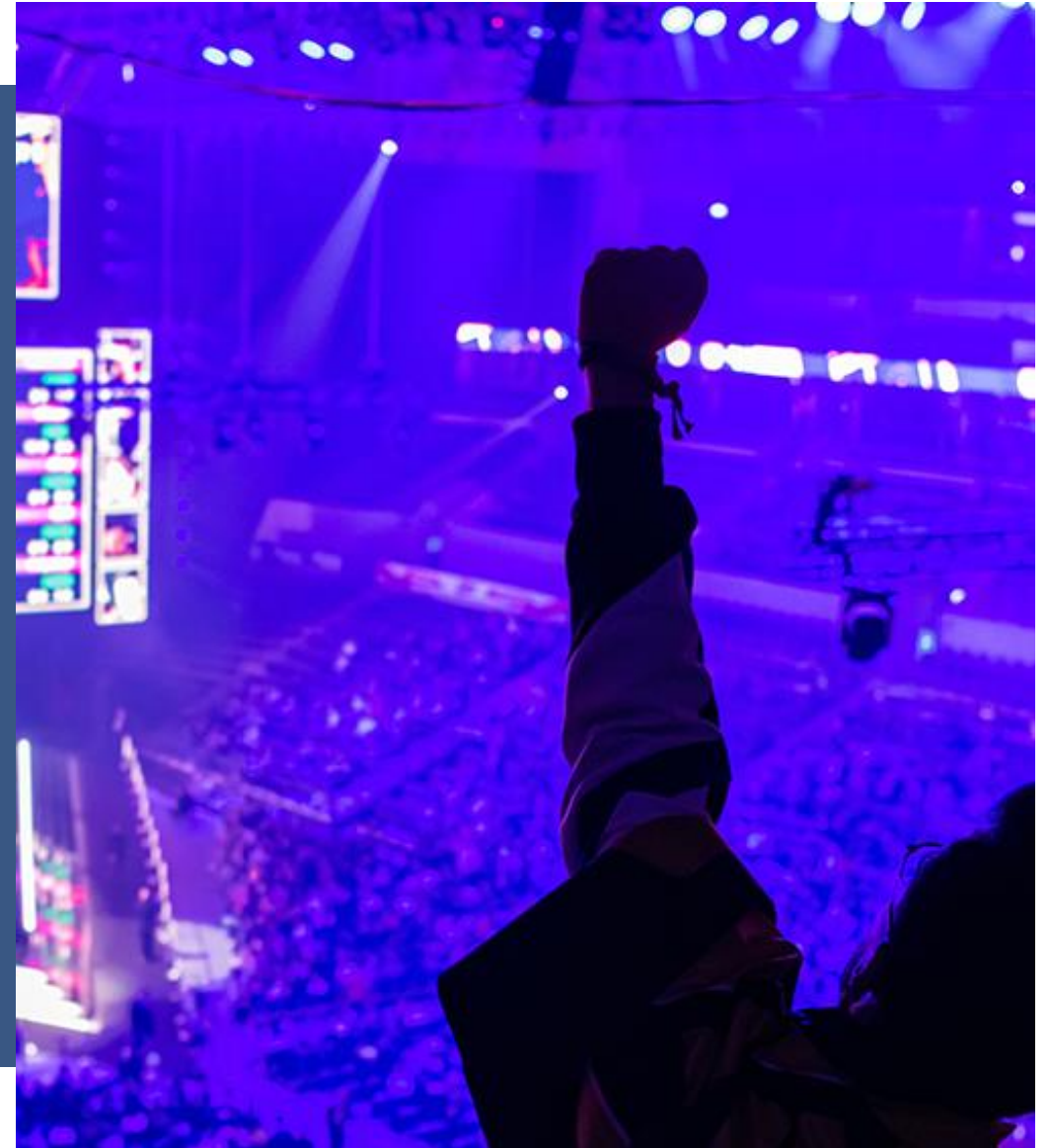
Objective

What is the purpose of this *jurisdictional scan*?

As part of our research, we have crafted this **Esports Ecosystem Jurisdictional Scan**, meant to give us a thorough understanding of best practices for building and sustaining an esports ecosystem, and analogous examples of initiatives, policies and undertakings from which Alberta can find inspiration. The specific jurisdictions analyzed in this scan were selected due to their varied nature, and analogous social, economic and political context to Alberta.

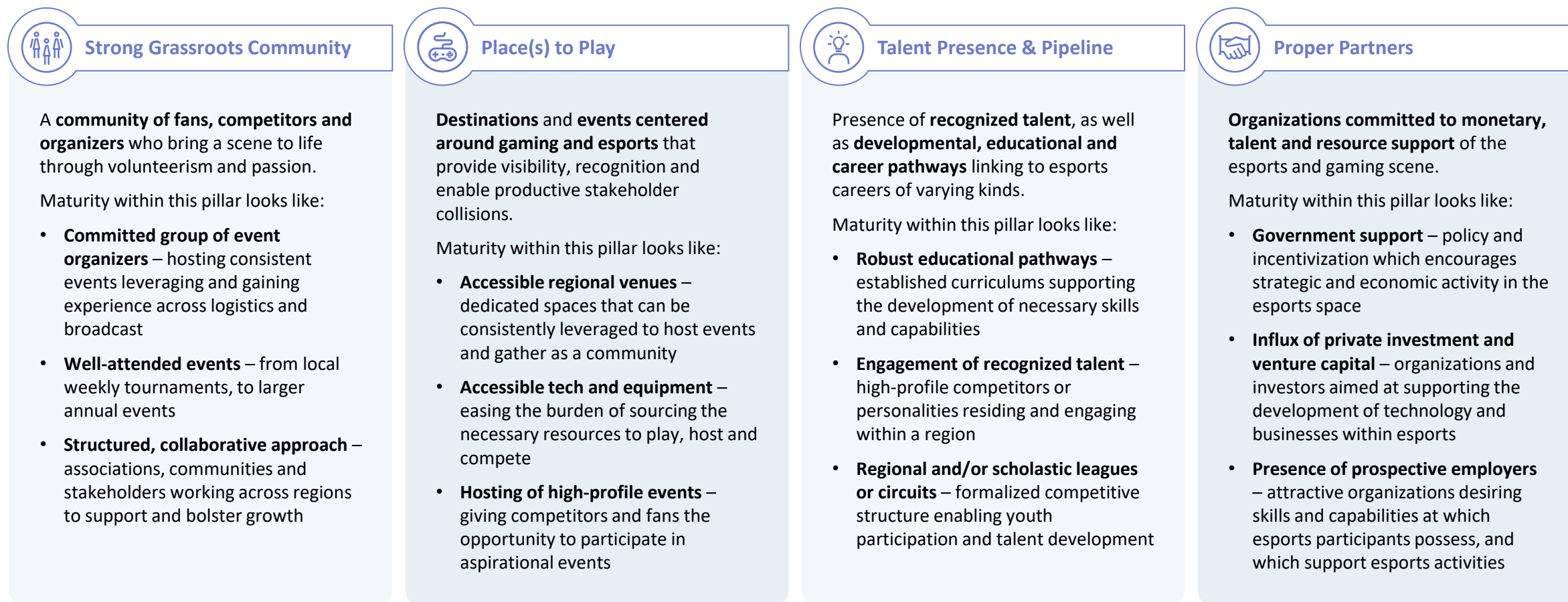
The document aims to:

- Shine the light on **unique and comparative traits** of international jurisdictions that have contributed to esports ecosystem success in their respective regions
- Provide insight into **best practices** for growing and sustaining an esports ecosystem
- Leverage learnings as **inspiration** and motivation for potential pathways and opportunities to bring to life a flourishing esports ecosystem in Alberta



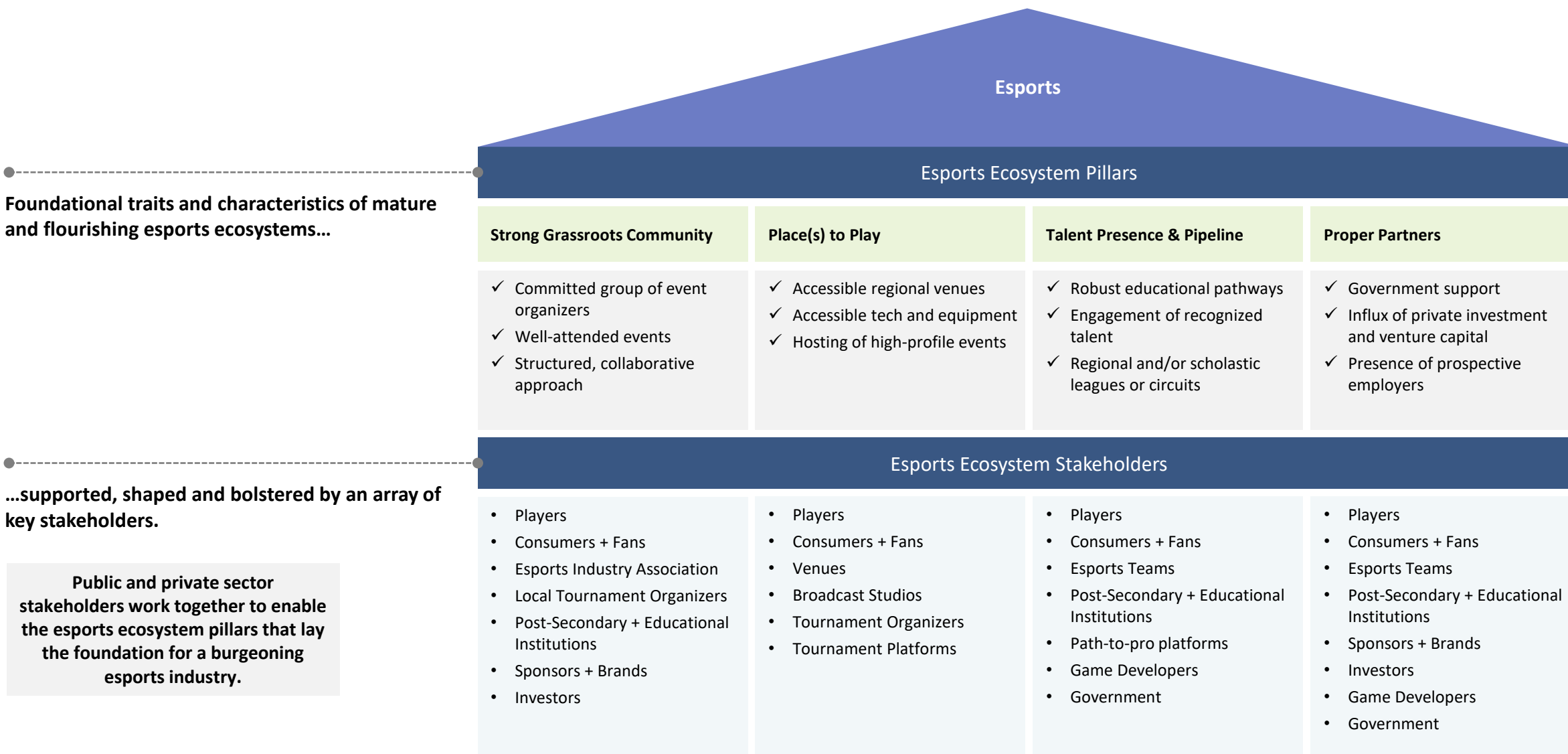
Introducing the ecosystem pillars

Esports ecosystem pillars represent the foundational building blocks (the ‘need to have’) from which a sustainable, flourishing esports ecosystem can grow and evolve.



In this jurisdictional scan we will be analyzing and assessing jurisdictions across these four ecosystem pillars to determine their maturity and uncover keys to success.

An esports ecosystem is supported by four key pillars



How to read this jurisdictional scan

For each jurisdiction there are two sections of analysis.

1. Overview of jurisdiction’s esports ecosystem

A snapshot of notable esports organizations and events within the region, as well as a case study highlight.

JURISDICTIONAL SCAN

Overview of Vancouver's Esports Ecosystem

NOTABLE ESPORTS ORGANIZATIONS

TITANS
Canucks Sports and Entertainment's competitive Overwatch team playing in Activision Blizzard's Overwatch League since 2017.

THE PINNACLE
First of its kind esports stadium in Canada, hosting a plethora of high-profile esports events.

VANCOUVER ESPORTS
Regular host of weekly esports tournaments and community gathering events.

BATTLEFY
One of the world-leading tournament and event hosting platforms.

EA
One of the largest game developers in the world, known for esports titles such as FIFA, NHL, and Madden.

NOTABLE ESPORTS EVENTS

The annual Dota 2 championship tournament played in front of a sold out crowd of 20,000+ at the Rogers Arena, and seen by over 15 million worldwide online.

Run by The Gaming Stadium, and hosted at the Vancouver Convention Centre, The Pinnacle 2021 was Canada's first post-pandemic live esports event. The event will run for three days, offer a \$25,000 prize pool, and expects to draw 2000+ attendees from across North America.

LTX is a gaming and tech-focused convention put on by the Linux Tech Tips team. LTX focuses on bringing the community together for a true hands-on, and engaging experience with technology, offering workshops, challenges, and tons of fun games incorporating different elements of tech and PC hardware. The 2019 edition featured esports competitions run under the notable Dreamhack banner.

Highlight - The International 2018

The International 2018 (TI8) was the eighth iteration of The International, an annual Dota 2 world championship esports tournament. Hosted by Valve, the game's developer, TI8 followed a year-long series of tournaments awarding qualifying points, known as the Dota Pro Circuit, with the top eight ranking teams being directly invited to the tournament. The event was hosted at the Rogers Arena in August over five days of consecutive matches.

At the time, The International 2018 set a crowdfunding prize pool record by eclipsing the previous years' record, finalizing at over USD \$25M. Other related events took place during the tournament, such as a cosplay and submitted short film contest with their own independent prize pools. In addition, two live demonstrations of a team of five OpenAI-curated bots, known as the OpenAI Five, took place to showcase the capability of machine learning.

2018/2 The International 2018 - A sold out Rogers Arena

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2. Jurisdiction’s esports ecosystem pillars and assessment

Analysis and a maturity assessment of each ecosystem pillar within chosen jurisdictions.

JURISDICTIONAL SCAN

Vancouver's Ecosystem Pillars

Strong Grassroots Community

Developed Mature

- In BC, most of the esports community is under the age of 30, with high school and college/university age brackets comprising the biggest segments.
- The Home Key, a 6,000 sq ft community space in the heart of downtown Vancouver, is a regular community meeting spot, providing space for gaming, working and eating.
- Vancouver's weekly gaming tournaments regularly achieve participant quantities of 40-60 players.

Place(s) to Play

Developing Maturing

- Vancouver hosted the International DOTA 2 Championship in 2018. With thousands of fans present physically at the event plus a million watching the competition online, the event catalyzed a shift in public perception and government focus as a platform for economic development.
- The Gaming Stadium is situated in the greater Vancouver area. The first of its kind in Canada, The Gaming Stadium is home to 50+ high-end gaming PCs as well as audience capacity of over 500. It regularly hosts national esports events, as well as sponsoring other events, even at other venues such as The Pinnacle 2021 which took place in October at the Vancouver Convention Centre.
- Vancouver Street Battle is another notable and large esports venue in the greater Vancouver area. With its origin in fighting games, as the name suggests, the venue has grown and evolved to be the destination for a variety of communities focused around different esports genres. Vancouver Street Battles regularly hosts weekly and monthly tournaments, as well as being consistently used for free play and community gathering events.

Talent Presence & Pipeline

Developing Maturing

- Established international brand as a recognized video game development hub provided momentum and credibility to the region as esports initiatives kicked off (50+ video game companies in Vancouver).
- Vancouver has one esports team, the Vancouver Titans, an Overwatch League team. The team is owned by Canucks Sport & Entertainment - the organization who own other key sports franchises within Vancouver including the Vancouver Canucks and Vancouver Warriors.
- A variety of post-secondary institutions in Vancouver have esports programs or teams, such as: Vancouver Animation School UBC Esports Association, and the Simon Fraser University Esports Association.
- There are large video games companies established in Vancouver, like Electronic Arts, Relic and Nintendo, but there are also many smaller and independent game studios.

Proper Partners

Developing Maturing

- VEC received \$100,000 from the Government of Canada to develop a coordinated strategy to promote Vancouver as an esports hub in 2019.
- Approximately 30-40 companies in BC directly related to esports and many more in support industries.
- Large investments have been made into esports and adjacent organizations, such as: The Gaming Stadium (\$2.5 million), The HomeKey (\$500,000), Battlefy (\$12.5 million), Shereva (\$500,000) and WTFast (\$1.5 million) - all in the last five years.
- 31% of BC Esports funding comes from venture capital investment.
- BC PacCo and Destination Vancouver have united with various partners - including the SFU Esports Association and UBC Esports Association - to host major esports events like MechCon (a MechWarrior and BattleTech convention) and LTX, a gaming and technology expo.

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Jurisdictional Scans – International Jurisdictions

- A. Philadelphia
- B. Berlin
- C. London
- D. Austin



Overview of Philadelphia's esports ecosystem



Notable Esports Organizations



Philadelphia Fusion is Comcast Spectacor's professional Overwatch team representing Philadelphia.



Comcast Spectacor is a Philadelphia-based American sports and entertainment company owning the Philadelphia Fusion as well as developing their arena.



T1 Entertainment & Sports is a joint venture esports team between Korean telecom company and esports mainstay SK Telecom, and American telecom company Comcast.



Founded in 2016, **Nerd Street Gamers** builds gaming and esports facilities, and hosts and broadcasts world-class esports events.



Susquehanna Soniqs are a global esports organization based in Philadelphia competing in a variety of esports titles with partners including Intel and ViewSonic.



Notable Esports Events



Regularly hosted in Philadelphia, **Fragadelphia** is the world's largest open Counter-Strike: Global Offensive event founded in 2014



The **Northeast Championship** marked a return to offline tournaments at Nerd Street's new spot in Center City 'The Block', with competitions in Guilty Gear - Strive-, Soulcalibur VI, Street Fighter V, Tekken 7, Mortal Kombat 11, and more.



Philadelphia Fusion's esports tournament **Doomsday**, run in conjunction with Nerd Street Gamers was a mix of a community exhibition event (where pro players squared off) as well as an amateur tournament (awarding aspirational fans a chance to take on the pros they had just spectated.)



Highlight – The Block

On November 26, 2021 Nerd Street Gamers officially opened The Block, its esports and gaming campus - a 35,000-square-foot campus with a public space for 780 people, corporate headquarters, a broadcast studio, and gaming space. Its main space offers between 118 and 135 PC gaming setups in what it calls The Pit, a space where players can game during tournaments, or the general public can come in and use on off days. The space also offers a stage for finalist-level gaming between teams or players who spend tournaments battling it out. The event space in the center of the room is flexible, and can seat up to a few hundred people as gaming setups in The Pit are moveable.

The second floor of The Block will house the Susquehanna Soniqs pro Rocket League team's home training facility which will open next year. Also coming in 2022 is Nerd Street Gamers' corporate headquarters on the building's fifth floor, which will house local members of the company's 140 employees.

As part of the launch, Nerd Street Gamers also hosted an event and tournament which garnered over 600 attendees.



A view inside Nerd Street Gamers new venue in downtown Philadelphia - 'The Block'

Philadelphia's ecosystem pillars



Strong Grassroots Community

- With limited local venue presence, Philadelphia's grassroots community size lags a bit behind other major North American esports hubs. However, with major esports organizations, such as Nerd Street Gamers, opening accessible large gaming venues this is slated to change, as the venue seeks to become a hub for community growth.
- Very few post-secondary institutions in Philadelphia field competitive esports teams. However, there are significant interscholastic esports competitive plans, as Nerd Street and CSL are joined by the National Association of Collegiate Esports (NACE) and Mainline, a software company in collegiate esports. Together they are crafting a collegiate esports league that plans to serve more than 14,500 students across 600 colleges and universities.



Place(s) to Play

- Nerd Street Gamers, who is a national network of esports infrastructures, will open the world's first esports industry campus in Philadelphia. Within 'The Block' is space for everyone to play, and to bring people together and allow them to compete. The venue gives access to the people who are not able to afford the hardware, equipment or Internet – and works to solidify Philadelphia's role as a destination for professionals and fans
- Subaru of America, Inc. and the Philadelphia Union created the Subaru Esports Hub, an ultra modern esports facility that is one of the first fully operational gaming centers in a MLS stadium. The Subaru Esports Hub features 12 gaming stations with PlayStation 4 or PlayStation 5 consoles that give fans the chance to play on state-of-the-art monitors in 1080p and up to 120fps. Three 65-inch TVs line the walls where guests can catch the latest sports games or favorite Twitch stream
- Comcast Spectacor's is building a \$50 million Philadelphia purpose-built esports arena — slated to be the first of its kind in North America. The 60,000-square-foot venue is set to have a capacity of 3,500 along with things typically seen in major league arenas like luxury boxes, broadcast areas, a training center and team offices. The venue is situated at the South Philadelphia Sports Complex, which houses Citizens Bank Park, Lincoln Financial Field and Wells Fargo Center.



Talent Presence & Pipeline

- There are approximately 30 companies in the video game and esports industry in Philadelphia
 - Home of the Philadelphia Fusion pro team, which competes in the Overwatch League
 - Esports club at Saint Joseph's University; they also have an innovative esports program which features both a club team and a business education curriculum with an esports facility in the school. The school believes that esports provides many of the most important skills that students learn from traditional club sports, in addition to new skills that are critical in an increasingly digital world.
 - There are limited schools with video game focused curriculums, notably Drexel University B.S. in Game Development & Production and Computer Graphics and Game Technology at University of Pennsylvania



Proper Partners

- The Philadelphia 76ers were the first North American professional sports team to own an esports team (Dignitas), and have been consistent partners on other community and esports events ever since.
- Esports Entertainment Group has a landmark multiyear partnership with the Philadelphia Eagles in which it served as the first esports tournament provider for an NFL club. As part of the multiyear agreement, EEG operates biannual Madden NFL esports tournaments for the Eagles utilizing the Esports Gaming League platform.
- Founded in 2016, Nerd Street Gamers builds gaming and esports facilities, and hosts and broadcasts world-class esports events.
- Comcast Spectacor is an investor and supporter of esports, owning the Philadelphia Fusion as well as building its upcoming arena, the organization also has a joint venture with esports mainstay SK telecom in the world-class esports team T1.
- Financial backing around gaming and esports exist within Harris Blitzer Sport and Entertainment (part owners of Dignitas) and SeventySix Capital.

Overview of Berlin's esports ecosystem



Notable Esports Organizations



Riot Games' LEC Studio is a venue in the heart of Berlin that regularly hosts games for the top-level professional of League of Legends in Europe



Berlin International Gaming is a premier, world-class esports organization founded and based in Berlin, Germany with professional teams and players compete in some of the most prestigious leagues worldwide.



G2, a Berlin-based international esports team, is one of the longest-standing and most prolific esports teams in the world, often seen at championship finals in various events competing for top prize.



LVL is an esports venue in Berlin also home to G2 Esports as well as regular community events and tournaments.



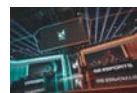
The Esports Observer is the largest esports news media organization, with satellite offices around the world it is headquartered in Berlin.



Notable Esports Events



The Starladder Berlin Major 2019 was a USD\$1M CSGO tournament held in Berlin with the grand finals held at the Mercedes-Benz Arena



The League of Legends European Championship Summer Finals 2021 were held in Riot Games' LEC Studio venue in the heart of Berlin, amassing nearly 1 million viewers online over the course of the event.



Berlin played host in 2020 and 2021 to **Dreamhack Open**, a large multi-game event that saw teams and fans from all over Europe spectate, compete and attend.



Highlight – Valorant Champions 2021

The first ever Valorant Champions Finals event was hosted in early December 2021 at Riot Games' Berlin LEC studio. Teams from around the world, representing regions such as EMEA, NA, Korea, Brazil, LATAM and more competed to be crowned the first ever Valorant world champions.

Peaking at over 1M concurrent viewers, Riot leveraged the event to showcase their high-tech studio upgrades, complete with interactive digital elements, floor-to-ceiling digital screens enabling immersive graphics and animation, and top-tier production allowing viewers to see the faces of pro players during competition, with the backdrop of expert analysis and shoutcasting.

Riot's Berlin studio is slated to continue to be a top competitive destination for future Valorant and League of Legends championship events in the upcoming season.



Valorant Champions 2021 – An image of Riot's high-tech Berlin studio during the Champions event

Berlin's ecosystem pillars



Strong Grassroots Community

- Twenty esports teams, together with tournament organiser ESL and the German Games Industry Association (BIU), announced the foundation of the Esport Bund Deutschland (ESBD). One of the organisation's expressed goals is to bridge the gap between the local esports associations and Esports.BIU, a group of game publishers within BIU, focused on the competitive scene.
- The German Esports Federation (ESBD) has created an amateur esports league, featuring 12 clubs from across the country. The competition is organized and produced in collaboration with ESL and Freaks 4U Gaming
- The abundance of amateur leagues, and the fresh creation of an esports association with the region will work to remedy the lackluster attendance of the already sparse local weekly events within Berlin



Place(s) to Play

- VERITAS Entertainment has recently opened a new esports venue in Berlin, LVL, which is a gaming and esports venue in Berlin. The venue spans 26,000 square feet, and includes a production studio, virtual reality experiences, and a noise-canceling dome that enables the venue to host professional esports matches in the closest proximity to the audience and casters without impeding the performance of the players. It is currently the facility and practice home of G2 esports.
- The Mercedes-Benz arena and the Verti Music hall have also been used for esports events.
- Berlin, due to its central geographic nature and abundance of creative talent has become a consistent host of notable esports events including DreamHack Open in November 2021, Valorant Masters in September, LEC Summer & Spring 2021, and Equal Esports festival in October 2021.
- Berlin became Riot's geographic pivot point through COVID; as events in other regions had to be cancelled or postponed, Riot pivoted many of their events to happen in-house at their notable LEC studio. This includes the LEC League of Legends championships as well as a handful of Valorant Masters events.



Talent Presence & Pipeline

- Berlin is home to major offices and headquarters of top esports and video game organizations, like Riot Games, ESL, esports team G2 esports, and more.
- Approximately 140 game companies have offices of varying sizes in Berlin. Approximately 131 new jobs were created in the esports sector in 2020.
- Freaks 4U gaming is a marketing agency for gaming and esports in Berlin and has over 190 employees. The company works with the biggest names and brands to craft meaningful storylines and showcase esports events around the world.
- Berlin is known for its creative education pathways, having a reputation for being a world-class destination for arts, media and music. The same will soon be true of esports, as many schools have begun offering curriculums focused on the industry, such as the Bachelor of Arts in Esports Management at University of Applied Management in Berlin and the Specialization for esports studies at the University of Europe for Applied Sciences



Proper Partners

- Berlin is home to many major esports and adjacent industry organizations such as the leading esports business news organization The Esports Observer and Riot Games' League of Legends European Championship (LEC) Studio, as well as being Location of successful companies such as Ubisoft, Wooga, Bigpoint, GameDuel, and Epic Games
- The German government revealed a major funding programme for the national games industry, which will allow companies to claim back as much as 50% of development costs. The fund can be used for a variety of projects, including prototypes, co-productions and ports.
- Berlin is home to a strong developer scene with numerous indie studios and pioneers in the industry, and has more localisation companies and more platform operators than comparable major areas in Germany.

Overview of London's esports ecosystem



Notable Esports Organizations



Fnatic is one of the longest surviving, and most successful esports organizations founded in 2004 with international rosters across most esports titles.



Guild Esports was founded in 2019 and is co-owned by David Beckham. The organization and competitive esports team trades publicly on the London Stock Exchange.



The London Spitfire are Cloud9's competitive Overwatch team playing in Activision-Blizzard's Overwatch League since 2017.



London Royal Ravens are ReKTGlobal's competitive Call of Duty team playing in Activision-Blizzard's Call of Duty league since 2019.



Red Bull Gaming Sphere is the second of its kind along with Tokyo's, the space acts as a gaming centre and community hub, but also hosts multiple events throughout the year.



Notable Esports Events



With over 500 delegates and 80 speakers, **ESI London** (hosted by Esports Insider and a consortium of partners) is one of the most prominent reoccurring esports industry events, bringing together a plethora of stakeholders.



Bringing together solutions providers and gaming professionals across all sectors of the global industry **ICE London** an industry event and platform to explore the future of gaming and drive revenues through invaluable meetings and networking opportunities.



The **CDC London Open 2020** was a global open event run alongside the Call of Duty League operated by Activision and MLG. It took place during the second week of the league and was hosted by London's Call of Duty esports team the London Royal Ravens at the Copper Box Arena in London.



Highlight – Valorant Champions 2021

ESI London is one of the esports' preeminent industry events, playing host to delegates from all over the world, and representatives from every key esports ecosystem stakeholder group, ESI's conference allows for connections and collisions unparalleled elsewhere in esports.

At ESI London, participants can:

- Meet fellow attendees from across multiple industries and verticals in esports and gaming
- Play, as the conference hosts mini-tournaments to engage in friendly competition and further build rapport
- Connect, over networking dinners and intimate panels that shine the light on best practices and key trends within esports



ESI London 2020 – The event took place at the Boxpark Wembley

London's ecosystem pillars



Strong Grassroots Community

- The research firm YouGov estimates that there is about 4 million esports fans in the UK, making it one of the regions with the highest concentrations of esports fandom
- London is home to the British Esports Association, the national body for esports (or competitive video gaming) in the United Kingdom. It was established in March 2016 to help develop the UK's grassroots esports scene and provide an infrastructure to nurture future talent. The British Esports Association, and a consortium of partners, host the annual British Esports Championships



Place(s) to Play

- London has no shortage of well-equipped modern venues, some of which are gaming-centric, but many of which at least have portions dedicated to digital activations.
- Red Bull Gaming Sphere is a preeminent gaming and esports venue in London that regularly hosts esports tournaments as well as community events, workshops and free-use days throughout the year. London's iconic venues such as Wembley Arena have also hosted esports and gaming events.
- London is not just home to gaming competitions, but high-profile industry events such as ESI London 2021, ICE London 2022.
- For smaller event organizers, and local communities however, it can be prohibitively expensive for tournament organizers to host an esports event in London since real estate and venue rent is too expensive.
- Belong Gaming has been developing smaller, bite-sized esports venues equipped with high-powered gaming PCs, Xbox and PlayStation consoles, as well as HyperX peripherals readily available throughout our arenas. The gaming arenas are meant to be a social space for competitive gamers and social players.



Talent Presence & Pipeline

- London is home to two franchised esports teams: the London Ravens and the London Spitfire, competing in the Call of Duty and Overwatch league respectively
- London is also home to notable esports teams such as Fnatic, a world leading esports organisation, with a winning legacy of 17 years and counting in over 28 different titles.
- With close to 200 video game companies in London, the city commands one of the highest concentrations of game developers in the continent
- The esports sector supported 1,200 jobs in 2019 in the UK, and a study found that a major global esports event could generate a further 238 FTEs
- London is home to many on-screen and behind-the-screen talents; this renown extends to digital media industries as well, and keeps the region a top-of-mind destination for prospective talent.



Proper Partners

- London's esports ecosystem includes several organizations from the entire supply chain, from game publishers Riot Games, tournament organizers ESL Gaming and Gfinity to esports organization Fnatic
- Gfinity is a London based esports solutions company. It has opened an esports arena in 2015 and has operated many events.
- FACEIT, a legacy tournament operator in the space, has also produced some of UK's biggest esports events and is a consistent supporter of community-led esports initiatives (such as hackathons and community meet-ups)
- The UK offers a Video Game Relief Tax Credit to companies whose video games are certified as British, and at least 25% of the core expenditures are within the EU.
- London is also a hotbed for European venture capital with firms like Hiro Capital and London Venture Partners, investment firms focused on investing in games, sports and esports technology.

Overview of Austin's esports ecosystem



Notable Esports Organizations



Houston Outlaws are Beasley Broadcast Group's competitive Overwatch team playing in Activision-Blizzard's Overwatch League since 2017



Envy Gaming are an esports organization situated in nearby Dallas and founded in 2007 originally as a Call of Duty team who regularly host events and activations in the Austin area.



Recently merging with Envy, **Optic Gaming** is one of the most recognizable team names in esports, long dominating the Call of Duty scene and amassing fans all around the world.



Blizzard Entertainment is one of the largest video game developers and publishers in the world, with their second largest development-focused office situated in the heart of Austin.



Unity Technologies is best known for their development of their industry leading game engine, which is being increasingly leveraged in adjacent tech and media industries.



Notable Esports Events



Dreamhack Open Austin is an annual three-day event held at the Austin Convention Centre between, with the 2016 edition being DreamHack's first ever foray into North America.



Classic Games Fest is one of the largest retro gaming expos and events in North America – with booths and vendors centered around nostalgic/iconic games and moments from the past, including competitive events for retro game titles.



SXSW is a large annual conference/festival with a growing esports and gaming component held annually in Austin, whose total attendance across its 10-days in 2019 was approximately 417,000.



Highlight – Valorant Champions 2021

The SXSW Gaming Expo showcased gaming culture in a unique atmosphere of exploration. The expo featured interactive exhibits from game developers and manufacturers and highlights like the Discovery Stage and Tabletop Experience.

The focus on hands-on experiences and interactivity gave attendees the chance to discover the latest titles, play alongside old friends and compete with new rivals, expand their social and professional networks, and find inspiration and insight in a wide range of special events.

The expo featured activations from many key stakeholders including:

- The Antstream Arcade Bunker, showcasing gaming's rich history
- Gamers Voice Award, a way to showcase the latest and greatest indie games
- Hyperx Esports Lounge, offering 100 gaming stations for attendees to come and play casually, as well as hosting hourly tournaments



SXSW 2019 – A view from inside the Gaming Expo Pavilion

Austin's ecosystem pillars



Strong Grassroots Community

- The Texas Esports Association (Tesda), was formed in 2010 by a group of UT students. Eventually, the group went national in 2013 and acquired by Blizzard Entertainment in 2014. It is now the world's largest operator esports leagues. Unfortunately, this has meant a distinct shift of focus away from the Texan scene, leaving regions like Austin with a disconnected community from other key regions like Dallas.
- Despite a flourishing scholastic scene within the Austin area, many local weekly events struggle to maintain regular attendance.



Place(s) to Play

- Austin is home to consistent, large cultural events such as SXSW, which regularly achieves a total attendance of 80,000 visitors. SXSW has begun incorporating notable gaming and esports elements, even providing a dedicated pavilion to esports and gaming activations.
- Austin has struggled to maintain a consistent stream of annual esports events, but has hosted notable tournaments in the past such as DreamHack Austin 2017, Warhammer 2021, and regular smaller weekly events at the Esports Cave



Talent Presence & Pipeline

- The video game industry accounts for approximately 25,000 jobs in Texas in 2020 (third behind California and Washington), with 10% expected growth in the next 8 years
- Longhorn Gaming is a hub for casual and competitive gaming at the University of Texas at Austin. It started as a sponsored student organization 11 years ago (one of the largest college esports communities in the nation)
- University of Texas has a strong Game Development and Design Program, which is intended for undergraduates, and part of a larger push towards gaming curriculum launched by the University of Texas at Austin
- In Austin, St. Edwards and Concordia Universities both have esports programs included in their athletic department. Concordia offers an esports scholarship (up to 10 \$2,000 esports scholarships for recruits based on rank, game history and performance)
- Austin has had an influx of huge streamer talent due to attractive cost-of-living and no state income tax



Proper Partners

- Developers and publishers like Aspyr, Crystal Southwest, Infinity Ward, Blizzard Entertainment, Nintendo, EA, etc. and technology computer company Dell have offices in Austin.
- There are around 100 gaming companies in Austin – 1300 local employees. (4 specialized in esports – PlayVS, Togga, WIN Reality and FanSided – with almost 200 local employees. Half of Texan video games companies are established in Austin (140 out of 270).
- The City of Austin offers a Creative Content Incentive Program to qualifying film, television, video game, and visual effects projects produced by an Austin-based company or which significantly promote Austin. This has contributed to over half of Texan video game companies setting up within the city.
- Top-tier esports organization Envy (recently absorbing Optic) has identified Austin as a potential high-growth region that they plan to engage with more proactively to grow their fanbase and support the esports scene.

Jurisdictional Scan – Domestic Jurisdictions

- A. Vancouver
- B. Toronto

Overview of Vancouver's esports ecosystem



Notable Esports Organizations



Canucks Sports and Entertainment's competitive Overwatch team playing in Activision-Blizzard's Overwatch League since 2017.



First of its kind esports stadium in Canada, hosting a plethora of high-profile esports events.



Regular host of weekly esports tournaments and community gathering events.



One of the world-leading tournament and event hosting platforms.



One of the largest game developers in the world, known for esports titles such as FIFA, NHL and MADDEN.



Notable Esports Events



The annual Dota 2 championship tournament played in front of a sold out crowd of 20,000+ at the Rogers Arena, and seen by over 15 million worldwide online.



Run by The Gaming Stadium, and hosted at the Vancouver Convention Centre, The Pinnacle 2021 was Canada's first post-pandemic live esports event. The event will run for three days, offer a \$20,000 prize pool, and expects to draw 2000+ attendees from across North America.



LTX is a gaming and tech-focused convention put on by the Linus Tech Tips team. LTX focuses on bringing the community together for a true hands-on, and engaging experience with technology, offering workshops, challenges, and tons of fun games incorporating different elements of tech and PC hardware. The 2019 edition featured esports competitions run under the notable Dreamhack banner.



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DOTA 2 The International 2018—A sold out Rogers Arena

Vancouver's ecosystem pillars



Strong Grassroots Community

- In BC, most of the esports community is under the age of 30, with high school and college/university age brackets comprising the biggest segments.
- The Home Key, a 6,000 sq ft community space in the heart of downtown Vancouver, is a regular community meeting spot, providing space for gaming, working and eating.
- Vancouver's weekly gaming tournaments regularly achieve participant quantities of 40-60 players.



Place(s) to Play

- Vancouver hosted the International DOTA 2 Championship in 2018. With thousands of fans present physically at the events plus a million watching the competition online, the event catalyzed a shift in public perception and government focus as a platform for economic development.
- The Gaming Stadium is situated in the greater Vancouver area. The first of its kind in Canada, The Gaming Stadium is home to 50+ high-end gaming PCs as well as audience capacity of over 500. It regularly hosts national esports events, as well as sponsoring other events, even at other venues such as The Pinnacle 2021 which took place in October at the Vancouver Convention Centre.
- Vancouver Street Battle is another notable esports venue in the greater Vancouver area. With its origin in fighting games, as the name suggests, the venue has grown and evolved to be the destination for a variety of communities focused around different esports genres. Vancouver Street Battles regularly hosts weekly and monthly tournaments, as well as being consistently used for free play and community gathering events.



Talent Presence & Pipeline

- Established international brand as a recognized video game development hub provided momentum and credibility to the region as esports initiatives kicked off (90+ video game companies in Vancouver).
- Vancouver has one esports team, the Vancouver Titans, an Overwatch League team. The team is owned by Canucks Sport & Entertainment – the organization who own other key sports franchises within Vancouver including the Vancouver Canucks and Vancouver Warriors.
- A variety of post-secondary institutions in Vancouver have esports programs or teams, such as: Vancouver Animation School UBC Esports Association, and the Simon Fraser University Esports Association
- There are large video games companies established in Vancouver, like Electronic Arts, Relic and Nintendo, but there are also many smaller and independent game studios.



Proper Partners

- VEC received \$100,000 from the Government of Canada to develop a coordinated strategy to promote Vancouver as an esports hub in 2019
- Approximately 30-40 companies in BC directly related to esports and many more in support industries.
- Large investments have been made into esports and adjacent organizations, such as: The Gaming Stadium (\$2.5 million), The HomeKey (\$500,000), Battlefy (\$12.5 million), Sherwa (\$500,000) and WTFast (\$1.5 million) – all in the last five years.
- 31% of BC Esports funding comes from venture capital investment.
- BC PavCo and Destination Vancouver have united with various partners – including the SFU Esports Association and UBC Esports Association – to host major esports events like MechCon (a MechWarrior and BattleTech convention) and LTX, a gaming and technology expo.

Overview of Toronto's esports ecosystem



Notable Esports Organizations



Toronto Ultra are OverActive Media's competitive Call of Duty team playing in Activision-Blizzard's Call of Duty League since 2019.



OverActive Media are a large esports and entertainment company that fields teams across multiple esports titles, and which has taken charge in building a large esports-centric gaming venue in the city.



Waves Gaming is the first 'esports hub' in Canada, featuring content creation studios, full in-house production capabilities, and gaming stations.



Amuka Esports is a major esports ownership group based in Toronto fielding organizations in esports across varying verticals, such as apparel, equipment, competitive teams and venues.



Raptors Uprising Gaming Club is MLSE's esports team equivalent of the Toronto Raptors, competing in the NBA 2K league since 2018.



Notable Esports Events



EGLX is an annual video gaming expo – the 2018 edition welcomed over 30,000 people across its 3-day event, meeting capacity at its 100,000 event hall at the Toronto Metro Convention Centre.



Get On My Level is the largest annual fighting game event in Canada, and one of the largest in North America. The multi-day event sees players travelling from all across the world to compete in a plethora of different fighting game titles.



The **North American League Championship Series 2016 Summer Playoffs**, were hosted at the Scotiabank Arena in 2016 to a sell-out crowd of over 15,000 – marking the first time Canada had ever played host to a large League of Legends event.



Highlight – North American League Championship Series 2016 Summer Playoffs

In 2016, Toronto played host to the North American League Championship Series 2016 Summer Playoffs – a sold out event that marked the first time ever Canada has played host to an international esports event of this size and calibre.

The event itself catalyzed large amount of focus and interest in the space, and can certainly be credited for challenging pervasive stigma and perception at the time of what esports events were like, as well as the demographic make-up of fans and competitors alike.

Now, because of the success of the 2016 event and Toronto's increasing push and development around esports ecosystem stakeholders, Riot has decided to return. The League of Legends World Championship will return to North America in 2022 with a continental tour that includes a stop in Toronto, one of the few select cities chosen to host an event stop. This event promises to be another sold out affair, with groundswell and fandom only having grown since the last time Toronto got a taste of the international esports competition.



North American League Championship Series 2016 Summer Playoffs – A sold out Scotiabank Arena

Toronto's ecosystem pillars



Strong Grassroots Community

- Despite the absence of an esports association in the region, weekly community events and tournaments are regularly well attended, achieving participant numbers of ~50-60 regular competitors.
- Many Toronto post-secondary institutions (approximately 7) have created associated esports teams and clubs; however, there is still no clear interscholastic structure or competition, with most schools facing each other in exhibition-style faceoffs
- Organizations such as Even Matchup Gaming regularly host local and regional events, both on a weekly and monthly basis, providing a consistent competitive cadence for prospective talent



Place(s) to Play

- A new state-of-the-art theatre-style entertainment venue, developed by OverActive Media, is anticipated to book 180-200 events per year, creating a new node within the area for diverse employment and economic activity. The venue is designed to be a destination at its core, driven primarily by premium music and entertainment bookings, in addition to major city-wide conventions, corporate events and product launches, award shows and naturally, a full slate of esports events increasing over time. It will also provide a home to OverActive Media's professional Call of Duty and Overwatch League franchises. Once completed, tourist spending associated with visitors to the proposed performance venue will support some 1,790 FTE jobs annually, 89% of which will be based in the City of Toronto. Tourists visiting the proposed performance venue are expected to spend some \$186 million annually elsewhere across the City and the Province.
- Toronto has been chosen as one of the select-few international cities to host a major League of Legends championship event in 2022 – marking the first return of the event since its sold-out debut in Toronto in 2016.
- Waves Gaming is a one-of-a-kind esports hub acting as a destination for community meetups as well as content creation and free-play gaming spaces



Talent Presence & Pipeline

- Toronto is home to a few ownership groups which field subsidiaries across various esports stakeholder groups and verticals. Groups like Overactive Media and Amuka Esports own a variety of competitive teams that play internationally in franchised and regionalized leagues.
- Smilegate West, Ubisoft Toronto and Gameloft Toronto are all big game publishing presences in the city, with large media and development offices.
- Additionally, Toronto has a burgeoning indie game development scene with the largest concentration of indie game developers in Canada, its become known as Canada's hub for interactive digital media and game development.
- In total there are ~133 video game companies in Toronto
- A few post-secondary institutions (such as Durham College, Seneca College, etc.) have begun offering esports-specific curriculums for prospective talent looking to make a career switch, or pursue a career in esports



Proper Partners

- Many of the large telecommunications companies based in Toronto, notably Bell, have become consistent sponsors and partners of large gaming events, as well as becoming a partner of OverActive Media
- City of Toronto has played a crucial supporting and co-creation role in the development of OverActive Media's new proposed esports arena, which will be situated on the Exhibition Place grounds in the heart of downtown
- PMML esports investment group is one stand-out example among a strong concentration of venture capital organizations who have begun to turn their interests to esports. PMML's investment portfolio includes notable brands such as Rivalry and GG group.
- Ontario offers a interactive digital media tax credit, which helps ease expenses of video game developers working on eligible digital games or products.

Sources: Deloitte Analysis, Government of Ontario, GameDevMap, MNP, City of Toronto, Seneca College, Amuka Esports

Jurisdictional Scan – Assessment Summary



Jurisdictional analysis assessment summary

	Toronto	Vancouver	Philadelphia	Austin	London	Berlin
Strong Grassroots Community						
Place(s) to Play						
Talent Presence & Pipeline						
Proper Partners						
	<p>Toronto's solid grassroots community and collegiate esports scene will soon be complemented by OverActive Media's modern esports venue.</p> <p>Toronto's pipeline for talent will continue to grow as more PSIs add esports curricula; in time, this will be balanced by more consistent partner support from organizations similar to Bell.</p>	<p>Vancouver's strong grassroots community is bolstered by a plethora of accessible, high-quality gaming venues that host consistent annual events.</p> <p>Although there is strong governmental support, and many private sector esports-focused organizations, PSIs in the region have been lagging behind the demand for talent, offering only a limited amount of esports-centric programs and credentials.</p>	<p>Philadelphia's esports activities are driven by a tight group of partners made up of strong investment firms and sports organizations helping to create new places to play, like the Fusion arena, in the heart of the city.</p> <p>With community-centric facilities recently opening, like 'The Block', Philadelphia can expect to see growth in their grassroots community, and likely an increased focus from PSIs on the space.</p>	<p>Austin has established itself as a top-tier video game development hub, and has recently seen an influx of high-profile streamer talent flock to the region due to attractive cost-of-living.</p> <p>The injection of more esports-focused organizations (such as Envy) and the addition of gaming elements to large cultural events will help grow Austin's grassroots esports community.</p>	<p>London is as close to a true metropolitan esports city (similar to the likes of Seoul), with every major stakeholder group, from game developers, tournament organizers, sponsors and venues represented. These components have worked seamlessly together to make London a top-of-mind destination for talent, and the home of many of the world's most competitive esports teams.</p>	<p>Berlin has leveraged its brand as a creative hotbed to become the go-to destination for production and events of some of the largest esports game publishers. In turn, talent flocks to the region to flex creative skills and vie for jobs.</p> <p>As more accessible forms of competition develop (amateur leagues supported by Berlin's esports association) the region can expect to see a flourishing grassroots community.</p>

Relevant takeaways for Alberta

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| 01. Large events are gamechangers of public & private perception. | Much of the growth, awareness, and shift in public and private perception around esports in jurisdictions is thanks to high-profile, visible events that help others understand the competitive and economic potential of the industry. |
| 02. Gaming and esports can bring a youthful, creative nature to a region. | Due to its primary demographics, a concentration of esports engagement and events often brings a youthful, creative vibrancy to regions in which esports ecosystems flourish. |
| 03. There needs to be opportunities for talent to be developed in the region. | Being able to earn an education, and subsequent employment, in the esports industry all within the region creates a positive feedback loop that leads to growth; programs and opportunities can take multiple shapes, including micro-credential and experiential learning offerings. |
| 04. Government and traditional sports industry support is key to accelerating growth of esports. | The support of both of these stakeholder groups helps lend a legitimacy and credibility to the growing space, accelerating adoption and awareness. |
| 05. Esports is not overnight. | Esports is no silver bullet; many jurisdictions have long-term growth involving slowly building momentum and awareness, as well as creating meaningful partnerships and collaborations to achieve success. |



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