

A Review of the eSports Events Industry in Malaysia: Exploring the Potential Gap

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Abstract

The eSports event brings significant contributions beyond monetary values and tourism benefits. This study of online gaming or eSports has become extremely popular as a catalyst for socio-economic growth not only globally but also in Malaysia. Stimulatingly, there are government bodies such as the Malaysian Ministry of Youth and Sports; abbreviated KBS as well as the Malaysian Digital Economy Corporation (MDEC) conducted a specific study on the eSports industry with a full-fledge focus on the eSports Strategic Plan and Asia Gaming Growth. However, from a far-reaching perspective, with no specific policy or clear guideline regarding eSports event, many issues or risks could arise especially among the major eSports stakeholders involved. Thus, the study of proper eSports event safety and risk is deemed to be under-researched. This paper brings forward the idea of the safety and risk in the eSports event industry. Existing reviews of eSports event literature showed that previous studies had demonstrated significant issues impacting host destinations, predominantly in the area of safety and risk such as doping, cyber-attacks, hacking, and health. These issues will not only affect the eSports events globally, but it deprive Malaysia of becoming Asia's top eSports events hub. Based on an extensive literature review, there is a noticeable paucity of past studies that explored eSports events in Malaysia and a lack of literature on safety and risk issues in the Malaysian context. Thus, this paper aims to explore the potential gaps in the Malaysian eSports event industry based on the extensive literature from 2010 to the recent ones. A qualitative approach is utilised to achieve the study's aim as the aims will assist the eSports events industry stakeholders specifically in Malaysia, and worldwide. This study will make an original contribution to academic and practical contributions. The findings will shed light on future studies that lack research in the area of the eSports events industry, not only in Malaysia but globally.

Keywords: eSports Event, Safety and Risk, eSports Stakeholder, Embok Model, Malaysia

Introduction

After the arrival of COVID-19, the eSports events industry started to grow significantly. The eSports event is increasingly recognised as a catalyst for socio-economic growth and brings significant contributions beyond monetary values as well as tourism benefits. Over the past 40 years, the development of eSports event has been growing significantly throughout the globe, and eSports events have been a new trend in Malaysia (Lim et.al, 2022). For the past few years, Malaysia has started to arrange their future planning toward eSports and striving to become one of the best eSports event hubs in the Southeast Asian region. For instance, during the Annual Budget presentation in 2019, RM10 million was invested in eSports development and in 2020, another RM20 million was allocated to support eSports events development in Malaysia (KBS, 2020). In 2020, the total game revenue in Malaysia was RM586.7 million and ranked twenty-one in the world (Newzoo, 2020). In 2022, Malaysia has been the host for one of the biggest eSports event organisers in the world which is ESL One (eGG, 2022). Furthermore, this was the third time Malaysia hosted the largest eSports event such as the Dota 2 eSports event of the year at Arena of Star, Genting Highland (eGG, 2022). Malaysia also has been one of the first Dota 2 stops for ESL One in 2017 (Malaymail, 2016) which showed that Malaysia has the potential to be the best eSports event hub in Southeast Asia. Malaysia also has been awarded “The Longest Running Professional eSports Tournament” during MLBB Professional League Malaysia (MPLMY) which began in 2017 and ended in 2020 (Malaysia Book of Record, 2020). Intriguingly, a few universities in Malaysia also have started to adopt the eSports event into their annual event. The first eSport event conducted on campus was XPAX Kejohanan E-Sukan Kampus (KEK) in early 2019 (Mohd Khir et al., 2022). Thus, eSports events in the Malaysian context have expanded widely across the country in various fields and brings significant benefits to the whole country. However, from a far-reaching perspective, with no specific policy or clear guideline regarding eSports, a few issues related to the areas of safety and risks need to be resolved to boost the positive development of Malaysia's eSports events industry.

Literature Review

Over the past century, the eSports events industry has generally experienced unprecedented growth, with worldwide recognition of its impact on social and economic development (Block & Haack, 2021). Even though the study on eSports events is unpopular and under research, many countries have acknowledged eSports events (Parshakov & Zavertiaeva, 2016). However, due to lack of interest and little studies conducted in this area, few issues arised makes the process of planning and conducting an eSports event becoming even harder and uncertain. In this context, eSports event safety and risk management is vital to ensure that the event runs smoothly (JWU, 2019). This process is deemed complicated as it involves various event stakeholders. Furthermore, to ensure the safety of an eSports event, safety and risk among the eSports event stakeholders need to be explored for future use. Therefore, this study seeks to explore and reveal the potential gaps in the Malaysian eSports events industry.

The Connotations of eSports Events

Based on recent academic studies, the exact definition of the eSports does not exist (Wagner, 2016; Block & Haack, 2021). Additionally, these scholars mentioned that the German eSports association “export-Bund Deutschland e.V.” (ESBD) came out with a definition at its general meeting in 2018 as eSports refer to “the direct competition between human players using suitable video and computer games on various devices and digital platforms under defined

rules” (Block & Haack, 2021). In 2017, eSports has been defined as a form of sports where the primary aspects of the sport are facilitated by electronic systems; the input of players and teams as well as the output of the eSports system are mediated by human-computer interfaces (Hamari & Sjöblom, 2017). In more practical terms, this study conducted by Hamari and Sjöblom in 2017 mentioned that eSports refer to “a competitive video gaming which is broadcasted on the internet” (pg.1). On the other hand, Abbasi et al. (2021) defined eSports as the combination of the word real-time, competitive, tournament-based video games played and game system.

Interestingly, eSports has been included as the conventional sport on the global stage where the International Olympic Committee (IOC) has considered incorporating eSports event in the Olympics (Hilvoorde, 2016). An eSports event is an organized competitive video game usually organized by different leagues, ladders and tournaments (Hamari & Sjöblom, 2017) and it involves teams competing against one another for cash prizes and glory. For example, a worldwide video game championship was held in 2006 where players competed for a one million top reward (Grove & Krejčík, 2015). Professional players or ‘Pro-Gamer’ are viewed online and are followed by high ratings from viewers all over the world who can participate in live events and see their favorite players (Willingham, 2018). Unlike traditional sports, eSports players compete virtually via gaming platforms such as gaming consoles, computers, or mobile phones. However, there is also a similarity between traditional sports and eSports in which every eSports game’s title can be defined as a different type of sport and has different guidelines, rules and regulations. To name a few, desktop computers or PCs offer games such as Dota 2, League of Legends, Player Unknown Battleground (PUBG) and Starcraft 2 while mobile offer games such as Mobile Legends: Bang (MLBB) and Call of Duty Mobile (COD).

The past forty years have seen rapid progress in the eSports events worldwide as a catalyst for many countries' socio-economic development. For example, the eSports events industry revenue in the U.S. for the year 2021 reached \$243 million which the contribution was extremely remarkable (Gough, 2022). Over 205 million U.S. audiences watched eSports in 2014 and the audience keeps growing every year (Newzoo, 2017). The U.S. also become the second largest in the world for the eSports market but in terms of investment, this country is the one who leads as it is a home for many popular eSports’ personalities, organisation, team and tournament (ESI, 2023). Undeniably, the U.K. has perceived as the European country that hosted one of the biggest eSports events under ESL which is ESL UK Premiership, and gained 27 million viewers which considered as a big success in the eSports events industry globally (ESI, 2023). In 2023, the projected revenue in the eSports market in Australia is estimated to reach \$116.2 million (Statistica, 2023). According to Newzoo (2022) in their gaming report, Asia Pacific has the highest number of players which is 1.7 million and generated \$95.6 billions revenue (Newzoo, 2022). For example, the eSports market in China and Korea were worth of estimated \$615 million annual revenue in 2015 (Geotomo, 2016). Significantly, the Asian gaming industry has been staying strong for more than a decade and it is one of the factors toward economic growth (MDEC, 2021). The MDEC (2021) also has strongly implied that the eSports events industry has now gained \$4.4 billion revenues with 70% of it coming from mobile gaming. In the Southeast Asia countries like Indonesia and Philippines, the eSports event industry is expected to hit \$72.5 million in 2024 (Sri, 2021). This statement highlights

the importance of eSports events as one of the economic contributors to the region of the U.S., the U.K., Australia, and the Asia Pacific.

Intriguingly, Malaysia has the potential to be one of the best eSports event hub of Southeast Asia. In 2020, the total game revenue in Malaysia was RM586.7 million and ranked 21 in the world (Newzoo, 2020). In 2022, Malaysia has been the host for one of the biggest eSports event in the world which is ESL One (eGG, 2022). The eSports event also has been recognised by the Malaysia Ministry of Sports and Youth (KBS) as one of the most competitive sporting events (KBS, 2020). Hence, eSports has been receiving notable recognition from official traditional sports competitions and SEA Games (Sun Daily, 2022). Additionally, eSports event has benefited the students in many ways and triggered many universities in Malaysia to fully utilise the benefits of eSports as an annual event (Nadiyah & Najmie, 2021). In Malaysia, the eSports event industry are related to Ministry of Youth and Sports and Malaysia Digital Economy Corporation (MDEC) which revealed that Malaysia are the third largest game market in the region with \$786 million worth of income generation (New Straits Times, 2023). The Malaysian government bodies such as KBS and MDEC carried out a specific study on the eSports and gaming industry through the eSports Strategic Plan (KBS, 2020) and Asia Gaming Growth (MDEC, 2020). However, despite the significances mentioned above, the study of proper eSports safety and risk management is still under researched not only in Malaysia but also globally which drives the researcher to explore the potential gaps of the Malaysian eSports events industry in the next section.

Exploring the Gap of the eSports Events Industry in Malaysia

Based on extensive literature reviews of the eSports events industry, the potential gap for this study in the context of Malaysian is twofold: practical and research gap which is explained as below.

Practical Gap

In the eSports event industry, a proper regulation and governance is vital towards the growth of this lucrative industry (Tolmachevska & Tkalic, 2018; Martinelly, 2019; Windholz, 2020; Kelly et.al., 2021). The massive growth of eSports event increases the number of governance issues which expose the eSports event stakeholders to potential risks and challenges (Kelly et.al., 2021). In the Asian region, Korea is the only country that develops an act to promote and enhance the eSports event under its "Game Industry Promotion Act 2017" (KBS, 2020; Chauhan et.al., 2022). However, there is no specific rules or legislation and clear guidelines for the eSports event being properly established in Malaysia; even though a "National eSports Development Guideline" (NESDEG) which is the continuous version from KBS Strategic Plan in 2020 were put into place (KBS, 2020). In addition, there is an absence of dedicated law to govern the eSports event in Malaysia under the Sports Development Act 1997 (KBS, 2020). In fact, the current NESDEG guideline that focused on the eSport event stakeholders' ethics was lacking in terms of a few risks involved in the event such as doping and cyber security (KBS, 2023). Thus, it leads to few issues such as lack of leadership and funding as clearly depicted in Figure 1 through the eSports SWOT Analysis outlined by the KBS (KBS, 2020). Hence, a clarion call seems crucial for a specific legislation of the eSports event which can be addressed as the "eSports and Games Development Act" (KBS, 2020) addressing the issues of safety and risks such as game addiction, cheating, doping, hacking and cyberattack in the Malaysian eSports events industry.

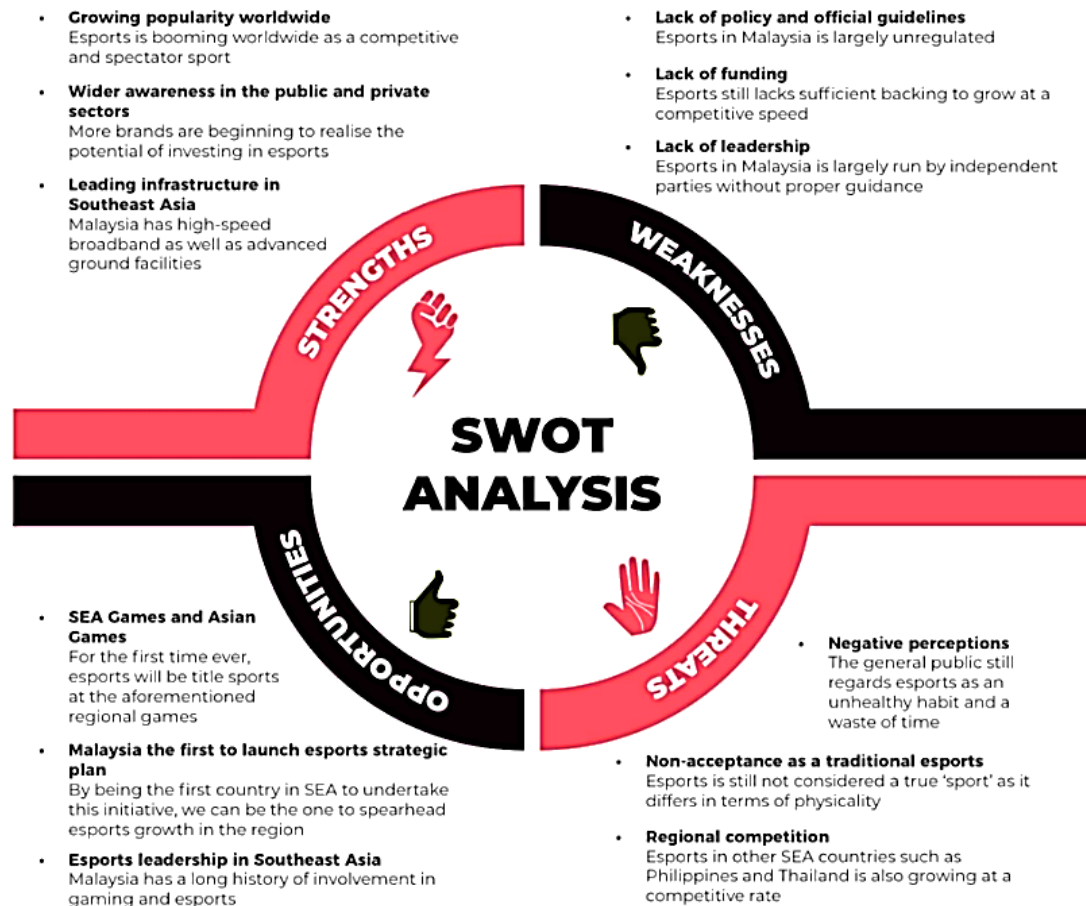


Figure 1. KBS eSports event SWOT Analysis
(KBS, 2020)

Research Gap

Theoretically, a plethora of studies focused on the eSports events' definition and history (Wagner, 2006; Donovan, 2010; Witkowski, 2012; Chen, 2014; Olsen, 2015; Hamari & Sjoblom, 2017; Hallmann & Geil, 2018; Chikish et.al., 2019; Billings & Hou, 2019; Marelic & Vukusic, 2019; Reitan et.al., 2020; Block & Haack, 2021; Delello et.al., 2021; Toricco et.al.,2022; Formosa et.al., 2022; Luan & Khanh, 2022), eSports development and impact (Parshakov & Zavertiaeva, 2016; Chikish et.al., 2019; Chang, 2019; KBS, 2020; Bassey, 2020; Bousquet & Ertz, 2021; Julie et.al., 2021; Achmad, 2020; Chen, 2021; Zhang & Liu, 2022; Zhong et.al., 2022; Herng & Singh, 2023) and the eSports events' impact on health (Jalink et.al., 2014; Geo et.al., 2015; Shams et.al., 2015; Carson et.al., 2016; Mihara & Higuchi, 2017; Bilgrami et.al., 2017; Sala et.al.,2017; Yao et.al., 2017; Paulus et.al., 2018; Gonzalez-Bueso et.al., 2018; Seth, 2022; Micheal et al.,2020; Yin et al.,2020; Joanne, 2022; Sascha, 2021) exist in the past few decades. According to Chiu and Fan (2021), the scholars highlighted the Top 10 influential publications and 10 most important authors in eSports event research as indicated in Table 1 as below.

Table 1

Top 10 influential publications and most important authors in eSports event research

Rank	Authors	Title	Journal	Year	Citations
1	Vinyals, et al. [65]	Grandmaster level in StarCraft II using multi-agent reinforcement learning	<i>Nature</i>	2019	284
2	Hamari and Sjöblom [2]	What is eSports and why do people watch it?	<i>Internet Research</i>	2017	207
3	Sjöblom and Hamari [66]	Why do people watch others play video games? An empirical study on the motivations of Twitch users	<i>Computers in Human Behavior</i>	2017	148
4	Hilvert-Bruce, et al. [67]	Social motivations of live-streaming viewer engagement on Twitch	<i>Computers in Human Behavior</i>	2018	120
5	Jenny, et al. [15]	Virtual(ly) athletes: Where eSports fit within the definition of "Sport"	<i>Quest</i>	2017	106
6	Seo [16]	Electronic sports: A new marketing landscape of the experience economy	<i>Journal of Marketing Management</i>	2013	76
7	Hallmann and Giel [5]	eSports—Competitive sports or recreational activity?	<i>Sport Management Review</i>	2018	75
8	Funk, et al. [7]	eSport management: Embracing eSport education and research opportunities	<i>Sport Management Review</i>	2018	74
9	Seo and Jung [68]	Beyond solitary play in computer games: The social practices of eSports	<i>Journal of Consumer Culture</i>	2016	72
10	Macey and Hamari [18]	eSports, skins and loot boxes: Participants, practices and problematic behaviour associated with emergent forms of gambling	<i>New Media and Society</i>	2019	60

Source : Chiu and Fan (2021)

However, there are a few studies were conducted on the area of eSports event risk with the zoom on the issues of gambling, cyber attack, hacking and doping (Grove & Krejciak, 2015; Maiberg, 2015; Rosario & Mercedes, 2019; Jasny, 2020; Macey et.al., 2020; Greer et.al., 2020; Gupta et.al., 2021; Burroughs, 2021; Mattinen et.al., 2023). Despite all the previous studies being conducted, there is a dearth of literature focuses on the areas of eSports event safety and risk management. Therefore, a future study on the eSports event safety and risk needs further exploration and scrutiny, which aligned with the aim of this paper.

Research Methodology

To achieve the aim of this study, the researcher will employ the qualitative method. This qualitative method is suitable with the objective of exploring and understanding a group associated with social or human problems (Creswell & Creswell, 2018). First, the researcher utilised an Interpretivism paradigm as it enables the researcher to provide in-depth qualitative data on the central phenomenon. In the context of this study, the central phenomenon relates to the Malaysian eSports events industry settings among the stakeholders concerned. Moreover, due to limited comprehensive qualitative studies on the safety and risk management in the eSports events setting, the researcher chooses a qualitative case study methodology (He et al., 2019). Therefore, based on the generalisation of theories and data analysis (Creswell, 2016), the researcher used theories (words) to explore the central phenomenon and gather qualitative emerging findings (final themes and inductive) using the thematic analysis approach.

The researcher will adopt the qualitative case study methodologies. The case study methodologies comprise three data collection techniques: document analysis, fieldwork observation, and an in-depth semi-structured interview. This method offers explicit instructions on who was involved in this study and which cases to be explored. Furthermore, as the primary focus of this study is more concerned with the data richness and depth instead

of the informants' number (Hennink et al., 2016), achieving a saturation point is crucial (Saunders et al., 2017) for the researcher. The researcher will analyse the data employing the thematic analysis method by using the latest ATLAS.ti (Version 9) software to answer the research questions. Finally, the researcher will collect data from the interview, observation, and document analysis which will be triangulated to validate the trustworthiness of the study's findings. As for the sampling, this qualitative study will utilise a purposive sampling where the participant will be chosen based on their experience and it is relevant to the research question according to the researcher's judgement. Also, the sampling will be the eSports event stakeholders in Malaysia and the technique of snowball sampling will be utilised so that a new unit can be recruited by another unit to be a part of the sample (Mahin et.al, 2017). Therefore, the researcher will be able to discover the hidden population through the utilization of the snowball method (Dragan & Maniu, 2013). Since the researcher will focus on a purposive sampling, the sampling size is not fixed but instead the data will be collected until new data no longer brings any additional information to the research question. Since purposive sampling will be designed to provide an information-rich case for in-depth study (Lopez and Dean, 2013), the researcher will need to select the best sample to meet the study's aim as they have the experience and known to have a special knowledge that can be useful for the researcher.

Conclusion

This study set out to gain a better understanding of the Malaysian eSports event industry based on the analysis of the connotations that led to the identification of potential gap based on a broad literature review of eSports event industry in Malaysia. This study aims to assist the eSport events industry stakeholders in Malaysia consists of the 1) emerging stakeholders—government agencies, eSports associations and federations as well as self-proclaimed industrial guardian organisations; and 2) key stakeholders—game publishers, players, teams, tournament or league organisers, broadcasts and media, sponsors. One of the significant findings from this conceptual paper is the gap found in the context of the Malaysian eSports events industry which is twofold: the practical gaps such as lack of specific policy or clear guidelines regarding the eSports events planning in the context of safety and risk management as well as the research gaps such as there is a dearth of literature focuses on the areas of eSports event safety and risk management. In general, therefore, it seems that future research could address the gap found in this study and make several contributions to the current literature of the eSports events industry. Although the research has adequately explored the eSports events industry in Malaysia, it has some limitations. The limitations are the study in favor of researching only eSports events, a restricted geographical area in Malaysia expanded to other parts of the globe, and an absence of eSports event safety and risk literature from the Malaysian perspective that focuses on the eSports events. Further research in this field would be of great help in improving the process of planning, managing and organising eSports events as well as market it effectively aligned with the goal of the Government of Malaysia.

Further research in the following areas of the eSports events industry in Malaysia seems crucial: eSports event safety and risk. Therefore, there is a significant need for Malaysia's government and "peak time" for all concerned eSports event industry stakeholders to develop a new, specific strategy or framework that could act as a very clear guideline for understanding the process of organising eSports events. This study have several important

implications for the future practice among the practitioners—to ensure constant growth of eSports events industry in Malaysia, helps to improve the process of eSports event safety and risks in organising eSports events as well as to propose a framework that will be beneficial to all the eSports organisers, players, sponsors, developers and other major stakeholders in their event planning and implement proper risk management throughout. Thus, the findings will provide a practical, efficient, and effective solution, e.g., policy recommendations or an effective strategic plan to all the eSports events industry stakeholders in Malaysia. To conclude, this study will also shed light on future research that can justify possible backgrounds in the eSports events industry, not only in Malaysia but in other regions around the world—contribute towards the eSports events industry's growth and sustainability.

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