

Gaming and e-sports in KSA

Understanding the potential of
the growing Saudi Arabian market

August 2023



Introduction

Saudi Arabia is ready to create tangible impact in the gaming industry through capitalizing on the existing users and gamers base, developing local talent, strong governance, and investment opportunities.

Gaming and e-sports in Saudi Arabia

Gaming and e-sports in Saudi Arabia are at a core stage of transformation. The market has experienced **rapid growth** and is primed for **continued expansion** driven by significant **government and business investments** and a highly **committed users and gamers base**.

With **high consumer engagement** and spending across a **diverse demographic**, Saudi consumers are invested in the development of the gaming and e-sports market. With Vision 2030 driving the diversification of the economy, gaming and e-sports can support and **leverage collaboration** across a broad range of markets.

This paper will highlight key insights from the 'Let's Play, Saudi Arabia!' survey, indicating a clear potential path forward to **strengthen** and develop the **Saudi Arabian** gaming and e-sports market.



Defining gaming and e-sports

E-sports is a subset of gaming that is differentiated by its level of competition and viewership.

GAMING

Gaming is defined as playing video games via any gaming medium, including PC, console, mobile, handheld or any other compatible device



E-SPORTS

E-sports is a subset of gaming that is defined as playing video games competitively or for spectators, typically by professional gamers or teams and for prizes.



Overview

The Kingdom is ready to transform the gaming and e-sports sector in support of the Vision 2030 economic diversification efforts

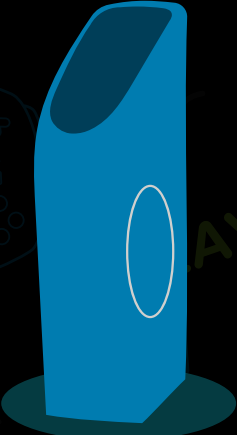
The Saudi gaming and e-sports market has experienced rapid revenue and consumer growth that should sustain for years to come.

Spending on gaming and e-sports is growing as passionate consumers invest in the industry

KSA consumers' engagement with gaming and media content is a key driver for spending in the market

Gaming could potentially be leveraged as a vehicle for collaboration across several major industries

The Kingdom is building the infrastructure and capabilities to become a global leader for live gaming events



The Saudi gaming and e-sports market has experienced rapid revenue and consumer growth that should sustain for years to come.

Gaming and e-sports is a rapidly growing market in Saudi Arabia, with a passionate and exponentially expanding consumer base, representing a promising opportunity for increased investment.

46%

of gamers are considered as **active¹ gamers**

48%

of gamers are **female**, a near-even gender split

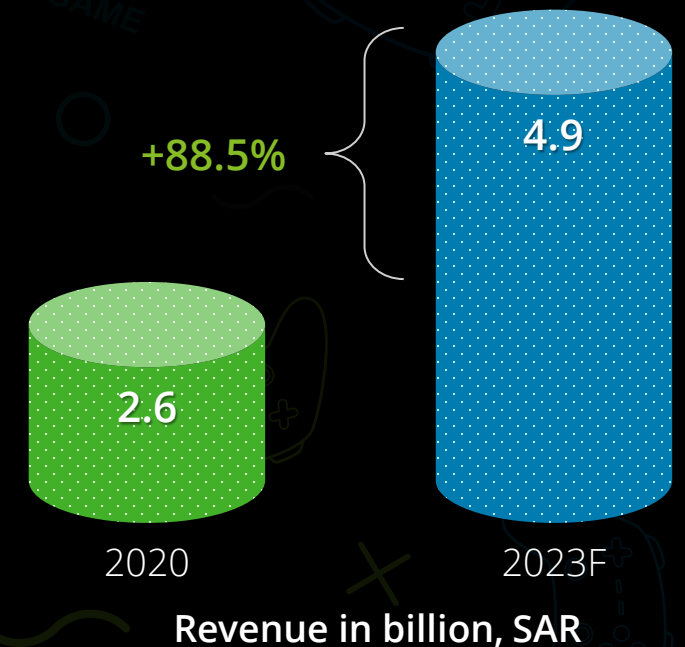
44%

of gamers are between **the ages of 18 and 35**

The most popular games and esports in the Kingdom include...



Saudi gaming and e-sports market revenue growth



Source: Monitor Deloitte Survey, Statista

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¹ Played at least once a week in the last 6 months

² Multiplayer Online Battle Arena (MOBA)

Spending on gaming and e-sports is growing as passionate consumers invest in the industry. Saudi gamers are willing to invest more time, money, and social capital into their passion than their international counterparts.



Time investment

1.64x as much time gaming as US gamers

Gamers in Saudi Arabia spend 12.3 hours a week gaming, versus 7.5 hours spent by the average US gamer

45% of gamers spend over 1 hour per day on gaming

84% of respondents spend over 1 hour per week playing video games

Monetary investment

1.4x higher average spend than US consumers

SAR 124 average spend on gaming-related content per month, versus SAR 90 per US gamer

60% of spending per month is focused on video game titles across all devices

SAR 74 average spend per month on video game titles for PC, console, and mobile

Social investment

Gaming consistently driven by social interaction

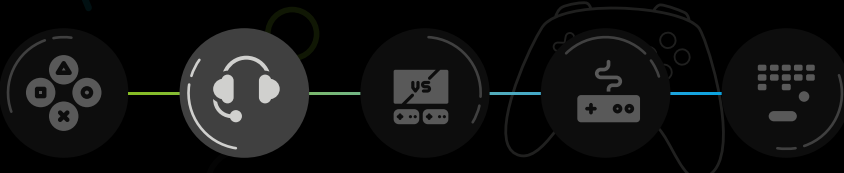
51% of people playing online with friends, 41% playing locally with friends, 20% livestreaming their play

Most engaged' global gaming audience

SAR 34 per month average spend on attending esports events, including tickets, merchandise, and F&B

Source: Monitor Deloitte Analysis, Statista

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KSA consumers' engagement with gaming content is a key driver for spending in the market. Gamers are heavily influenced by gaming content and are a commercially engaged audience, with high revenue returns per user.



Commercial engagement

55%

of gamers are inspired to purchase **gaming-related products and services based on advertising within game content**

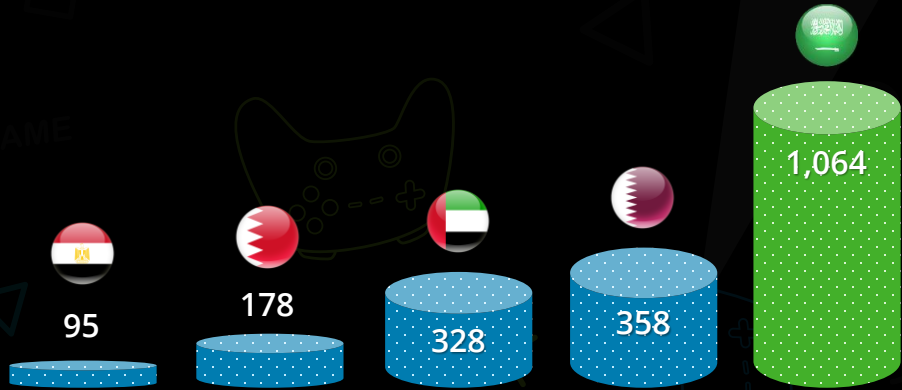
25%

of gamers have bought a **non-gaming product or service, which they discovered through advertising within game content**

Commercial returns

2.9x times

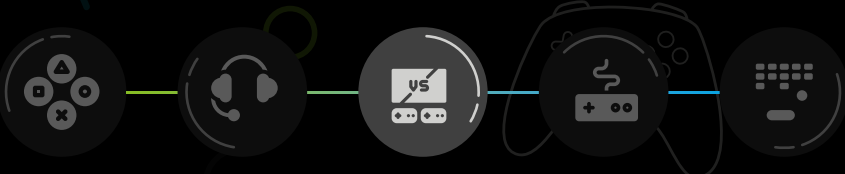
Saudi gamers provide 2.9x more average revenue per user than their closest competitor in the MENA region



Average revenue per user (ARPU) in SAR

Source: Monitor Deloitte Analysis, Statista

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Gaming and e-sports is more than just entertainment and includes collaboration across major industries.

A diverse and engaged audience, gamers have broad interests beyond content consumption, and a range of products and services

Diverse people

Gaming and e-sports is not just for teenagers – gamers are multidimensional.

- **56%** work **full time jobs**, in **diverse** industries like **fitness, business, and healthcare**
- Over **60%** are **25-41 years old**

Diverse interests

Gamers value diverse products and services more than average residents.

- Over **45%** enjoy **watching sports**
- Over **60%** frequently attend **live events**
- Over **81%** are interested in **financial products**

Direct impact

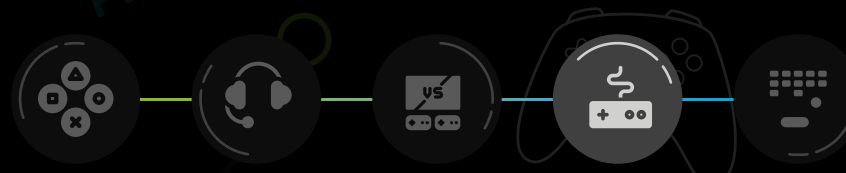
Gamers are a captive audience, receptive to advertising.

- **75% of gamers** consider **advertising useful** and informative – this is **5% more** than average **non-gamers**



Source: Monitor Deloitte Analysis, Statista

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Saudi Arabia is building the infrastructure and capability to be a global leader in gaming and e-sports events.

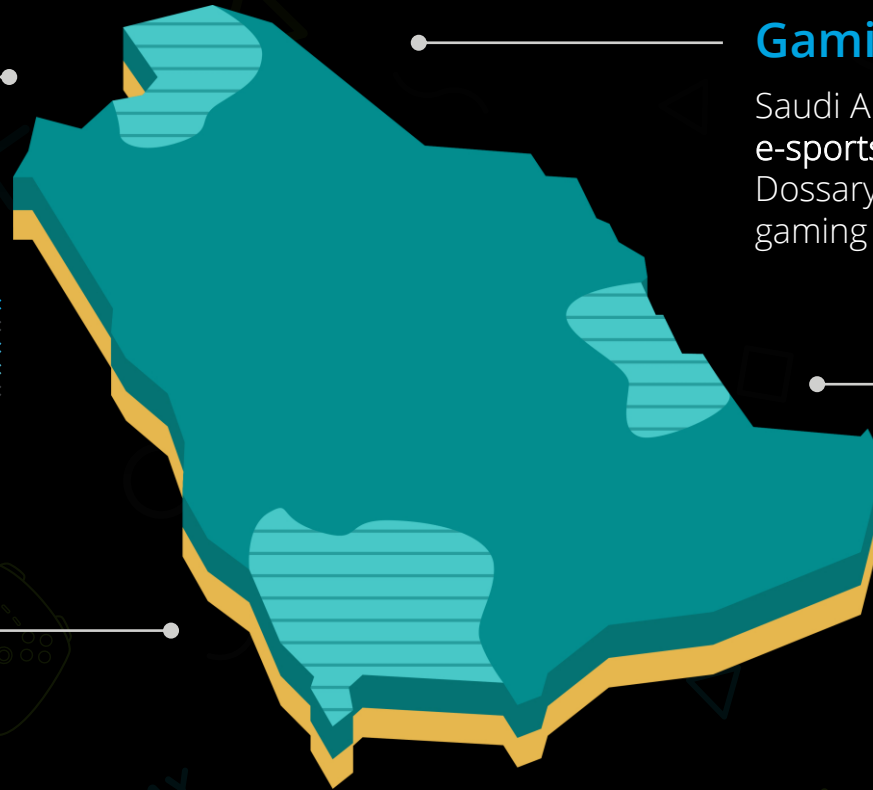
Hallmark gaming and e-sports events in the Kingdom have been met with growing crowds, establishing KSA as a market leader.

National investment

Saudi Arabia excels in hosting gaming and e-sports events, with the PIF backed **Savvy Games** having a **USD 37.8 Billion (142 SAR Billion)** planned investment across four key programs, to enable game development, support early-stage companies, and invest in industry partners to grow Savvy's expertise and portfolio

Key acquisitions

Acquired industry-leading gaming event companies **ESL** and **FACEIT** for a cumulative USD 1.5 Billion, paving the way for large gaming and e-sports events



Gaming and e-sports achievements

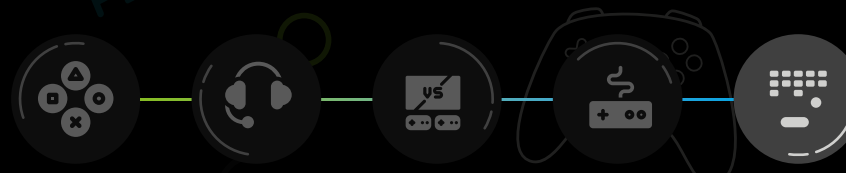
Saudi Arabia is already home to multiple gaming and e-sports champions and finalists, such as Musaed Al Dossary, with sustained excellence in the competitive gaming circuit

Hallmark events

Saudi continues to define the **gaming landscape**, with **high prize-pots**, such as the prize pool at Gamers8, the **world's largest e-sports festival with the world's largest prize pool**. Additionally, events like GWB (Gamers Without Borders), which is the **world's largest charitable e-sports and gaming festival**, continue to engage diverse communities

Source: Monitor Deloitte Analysis. Reuters

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The Saudi gaming and e-sports market can create local, regional, and global impact. The Kingdom's continued public support and a passionate local consumer base can act as a springboard for sustained success in the gaming and e-sports sector.

Capitalizing on the existing consumer base

The Saudi gaming and e-sports industry must continue to **grow** and attract a broad range of audiences. This will result in a robust **commercially** and **socially engaged** consumer base who are eager to **participate** both **online** and **offline**.

Developing local talent and content

To encourage **local-first content** and storylines, gaming must be supported across all **stages** of pre-production, production, and post-production. Content development for new, exciting and tailor-made gaming experiences is key. This will allow for a variety of **transferable jobs** and **skills** to flourish.

Public endorsement and investment

With continued **investment** in gaming and e-sports outlined in The National Gaming and Esports Strategy, KSA must continue to make **targeted investments** per its outlined strategy. PIF-backed companies like **Savvy Group** lead the way in raising the prominence of gaming as an industry that is key to supporting the **economic diversification goals** outlined in **Vision 2030**.

Governance and partnerships

Production houses and exciting gaming ventures need to have clear and continued **support** with regards to **governance** and ease of doing business, while establishing **partnerships** on a **local, regional, and global** level with **enabling** and **innovative** partners.



Survey methodology

25,000 people from 22 global markets were surveyed in 2022 regarding their video gaming and e-sports consumption. In addition, 53 European market experts were interviewed.

Consumer survey:

Representative survey among
~25,000 participants globally

22 global markets

Asia-Pacific



Europe



Middle East



North America



Consumer survey:

Video gaming, e-sports and
game **streaming** consumption

Source: Monitor Deloitte Analysis. 'Let's Play, Saudi Arabia!' Deloitte survey

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Countries included in the consumer survey

Expert survey:

Online interviews w/
53 market experts

- Teams
- League and event hosts
- Further stakeholders

15 European countries



Expert survey:

Economic situation of teams
and event hosts
Assessment of current
market trends

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