

## ESPORTS EVENTS

### Recommendation

That the February 7, 2024, Urban Planning and Economy report UPE01865, be received for information.

<b>Requested Action</b>	Information only		
<b>ConnectEdmonton's Guiding Principle</b>	<b>ConnectEdmonton Strategic Goals</b>		
<b>CONNECTED</b> This unifies our work to achieve our strategic goals.	<b>Regional Prosperity</b>		
<b>City Plan Values</b>	LIVE. THRIVE. CREATE.		
<b>City Plan Big City Move(s)</b>	Catalyze and Converge	<b>Relationship to Council's Strategic Priorities</b>	Arts and Culture Economic Growth
<b>Corporate Business Plan</b>	Transforming for the Future		
<b>Council Policy, Program or Project Relationships</b>	<ul style="list-style-type: none"> <li>• C603 Events Policy</li> <li>• Event Growth and Attraction Strategy</li> <li>• Edmonton Events, Sport and Cultural Attraction Plan</li> </ul>		
<b>Related Council Discussions</b>	<ul style="list-style-type: none"> <li>• October 30, 2023 Community Services report CS02058 Event Attraction Funding, Community and Public Services Committee</li> </ul>		

### Previous Council/Committee Action

At the April 4, 2023, City Council meeting, the following motion was passed:

That Administration facilitate an engagement session and work with the Edmonton Screen Industries Office and any other relevant stakeholders to:

1. Review the Alberta Esports Strategy for the actions identified in the report that fall within municipal control and within the existing municipal budget and provide a report back on the status of implementation including identification of the lead(s) responsible for implementing municipal actions.

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2. Develop a plan for Edmonton to host a mid-sized Esports event in the next one to two years and a major Esports event in the next two to three years and report back on the proposed plans that include identification of the lead(s) responsible for implementation of the Esports events.
3. Review existing high-level interactive digital media investment attraction strategy for Edmonton and provide recommendations for programs and incentives to support the strategy and potential funding strategies.

## Executive Summary

- Expanding the electronic sports (Esports) sector will require a shift in focus to attracting competitive game broadcasting; esports infrastructure investment; and game developers.
- Game Con Canada (GCC) confirmed that they will host their event at the Edmonton Expo Centre from 2024 through 2026.
- Administration will use learnings from GCC to attract or bid on additional international esports events.
- Edmonton will continue to support the Alberta Esports Strategy and approach, and build on best practices.
- A future event bid would need to be considered as part of Edmonton's overall event attraction strategy and would require additional funding.

## REPORT

Esports (electronic sports) refers to organized video gaming events or tournaments - often broadcast or viewed live - that can culminate in championships at regional and international levels. Academic, provincial and national esports associations consider esports as a means to building skilled talent and career paths in game development, technology, graphic design, marketing and event management.

The esports market is experiencing rapid growth, despite still being in its relatively formative stages. According to Statista.com, in 2022, the global esports market was valued at just over \$1.38 billion U.S. dollars (USD). Additionally, the esports industry's global market revenue was forecast to grow to as much as \$1.87 billion USD in 2025.<sup>1</sup> These revenues come from betting, prize pools, tournaments, but also overwhelmingly from sponsorship and advertising, which brought in almost \$641 million USD in 2021. The United States retains the largest esports revenue market and China was the second largest regional market. In 2019, the number of esports enthusiasts and occasional viewers totaled just under 400 million globally. At the current growth rate, by 2024, there are expected to be more than 575 million viewers.

Several economic development organizations (Calgary Economic Development, Edmonton Screen Industries Office, Tourism Calgary, Explore Edmonton, Edmonton Global and the Alberta Esports Association) engaged Deloitte to support the development of an esports ecosystem strategy.

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<sup>1</sup> <https://www.statista.com/statistics/490522/global-esports-market-revenue/>

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Released in August 2022, the Alberta Esports Strategy<sup>2</sup> focuses on the role of esports in economic development, sector diversification and growth.

Stakeholder feedback gathered for this report aligns with the Alberta Esports Strategy, in that Edmonton's first step in enabling esports growth should be to strengthen the foundations and interconnectedness of this ecosystem. Edmonton's current position in the gaming industry reflects traditional, individual play independent ("Indie") game content and creation. As esports are instead typically online, competitive and broadcasted fighting games, first-person shooters, sports simulations and multiplayer online battle arena games, this will require a shift in Edmonton's approach to esports.

Edmonton's advantage is that youth make up the majority of the strong grassroots community for local esports. Esports focuses on a next generation demographic, with players predominantly being made up of kindergarten to grade 12 (typically grades 7-9), collegiate, and university clubs and competitive teams. There are currently competitive teams at Norquest College, University of Alberta and the Northern Alberta Institute of Technology (NAIT), and a new academic program in esports entering its second year at Vimy Ridge Academy.

### Esports Strategy Actions Within Municipal Influence

The Alberta Esports Strategy outlines the industry background, projected opportunity for esports worldwide, key pillars for a sustainable esports ecosystem and three winning paths for Alberta, with a timeline of suggested steps and stakeholder involvement.

Two of the three paths for Alberta contain actions that fall within municipal influence:

1. 'Esports as a platform for bolstering events, travel and tourism'.
2. 'Esports as a platform for enhancing the innovation economy'.

The third path in the strategy, 'Esports as a platform for the modernization of education and facilities', focuses upon the creation of attractive student engagement cultures within educational institutions, modernized educational facilities, the development of attractive curricula and post-secondary institution alignment with the technology sector. This path is outside of municipal influence as it requires action by schools and educational institutions, the technology sector and the Government of Alberta.

Administration assessed the near-term (one to three years) municipal actions within the strategy, in context to Game Con Canada hosting their event in Edmonton (see below for more information). The next role or action for the City could be to catalyze the ecosystem through the development of a city-wide Esports Working Group. This would align with stakeholder feedback regarding a need for further formalized structure to enable the advancement of esports.

Attachment 1 provides an in-depth review of the actions that fall within municipal influence, the status of implementation and the identified leads. The existing City budgets do not include funding for dedicated esports work.

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<sup>2</sup>Alberta Esports Association. Alberta Esports Strategy - Final Report. 2022.

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### Hosting Esports Events in Edmonton

#### Attracting and Supporting an Existing Event

Edmonton attracted Game Con Canada for 2024, 2025 and 2026. This was achieved through coordinated work by Administration with partners Explore Edmonton, Edmonton Screen Industries Office and other stakeholders including Digital Alberta.

- Game Con Canada (GCC) Powered By TELUS, is the largest gaming conference in Canada. GCC is a three-day gaming exhibition. Esports tournaments will be held live, and conference organizers note a draw of 34,000 attendees to their 2023 event which, because of the exhibitors and sponsors that joined them from multiple countries, has now allowed them to become an internationally recognized event. Attachment 2 provides additional information on GCC.
- The Alberta Esports Association (AESA) indicated that work is underway to leverage this large growth event by offering escalating advancement opportunities to Edmonton's esports players. Earlier tournaments at the local level would see winners progress to the AESA Esports Expo level, with subsequent winners then progressing to the Alberta Championship Series being held in Lethbridge in May 2024. Finalist competitors would then be featured at Game Con Canada.

#### Gaming Initiatives and Future Opportunities

- Edmonton experienced early success in smaller esports event offerings in 2023. These, and other gaming initiatives, are ongoing and provide additional outlets for the grassroots gaming community to connect, play and grow. Attachments 3 and 4 provide additional information on upcoming events and opportunities.
- Globally, Esports encompasses a wide variety of major and mega events that include the option for future Host Bids. These future opportunities are also listed in Attachment 3.
- During discussions with the Alberta Esports Association (AESA), Explore Edmonton and Administration, it was suggested that AESA is best positioned to lead any bid to host a future major or mega esports event to Edmonton. The AESA is the face of esports in Alberta and acts as the provincial "governing body". Such a bid would likely need City of Edmonton support, and that of other relevant stakeholders, given that AESA is volunteer run and resource limited.

### Edmonton Interactive Digital Media (IDM) Strategy Efforts

Administration assessed recommendations for programs and incentives to support the Alberta Esports Strategy and potential funding strategies.

The Edmonton Screen Industries Office (ESIO) is the lead for Edmonton's Interactive Digital Media (IDM) work in the city. In addition, Edmonton Global holds a sector priority of attracting investment in Digital Media and Entertainment<sup>3</sup>. Edmonton Global and ESIO collaborate on Interactive Digital Media, and ESIO has published their own strategic plan<sup>4</sup> addressing funding

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<sup>3</sup> [edmontonglobal.ca/sectors/digital-media-and-entertainment/](https://edmontonglobal.ca/sectors/digital-media-and-entertainment/)

<sup>4</sup> Edmonton Screen Industries Office. 2022 Strategic Plan. 2022.

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strategies, programs and incentives. The ESIO plan focuses on the development of the Interactive Digital Media community and the creation of content within that community.

In addition, ESIO manages several grants including the Strategic Initiatives Fund, which funds and supports programs such as film and television productions, as well as interactive digital media. ESIO also pilots courses focused on commercialization and paths towards funding and market access. ESIO plans to run their “Indie Market Access Program 2024”, and future courses, to support local Interactive Digital Media creators.

ESIO has indicated constraints on their Interactive Digital Media strategy efforts. Without access to an Alberta Interactive Digital Media Tax Credit as an incentive to industry, the strategy will have little impact on attracting outside studios to the Edmonton region, or promote growth through attraction. ESIO and Digital Alberta are working together to advocate at the provincial level for the return of a tax credit.

While the Government of Alberta has signaled a potential resurrection of the interactive digital media tax credit program in some form, there is no definitive approach to funding at this time. Stakeholders advise that similar programs in other jurisdictions like British Columbia and Ontario have helped their respective sectors thrive, and have pulled investment away from Alberta.

Administration does not recommend any further action at this time. Administration funds ESIO in part, and responsible stakeholders are currently working through active grants and program implementations.

## Community Insight

Business development and event stakeholder feedback is outlined throughout this report as it relates to the specific Council motion components. Administration heard the following themes:

- While all agree supporting the youth component of esports is important to continue to build tech savvy talent pools in Edmonton, esports is not seen as a major opportunity or driver for Edmonton economic development at this time.
- Edmonton’s large gaming developers are not the makers of titles that are traditional esports games.
- Other cities, including Vancouver, Toronto and Calgary are leading esports markets today. This is likely due to their established and/or funded esports arenas, players and teams and broadcasting hubs. Edmonton would need to leverage the learnings from these early adopters to establish or attract additional esports infrastructure and funding in order to compete.

For stakeholders belonging to the grassroots esports community, or those academic and overarching governance bodies lending supports to player athletes and teams, feedback was youth focused and included:

- The need for a sanctioning body for esports in Alberta to help regulate and formalize active lists of esports teams, clubs and schools; league play; tournament access; and promoting athlete development.
- The need for esports arenas in Edmonton, or the ability to access sponsorship or funding for 10-15 gaming systems in all esports active schools.

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- The ability to build out career paths in the esports sectors and access scholarships in the esports market.
- There is an opportunity to support - and promote - post secondary institutions and scholastic programs across Edmonton, as they develop esports programs or teams in their schools.

### Possible Expansion of Roles

The City and its partners have options for possible actions and roles that each organization could undertake in their existing mandate to close the gaps in Edmonton's esports ecosystem. Attachment 5 further outlines these possible roles and approaches.

Administration proposed esports roles and actions for the City and its municipal partners. Frontline business development organizations - namely Explore Edmonton, Edmonton Global, and Edmonton Screen Industries Office - have expressed that esports is not a major priority for them, and that diverting organizational energy and limited resources to focus what they view as a niche may not make sense. They have shared that opportunities with a greater economic impact exist. Current priorities for each organization are broader than esports, and shifts would require additional dollars and resources.

The current roles of each of these organizations related to esports are outlined below:

- Explore Edmonton (EE) Business Events is working with Game Con Canada on hosting the Edmonton events beginning June 2024. Additionally, EE is continuing to pursue hosting an esports expo as part of KDays activities.
- Edmonton Screen Industries Office was part of the attraction team responsible for attracting Game Con Canada to Edmonton. Additionally, ESIO is working with GCC on a broader business to business activation plan for the gaming sector in Edmonton and early broader esports activation plans for Edmonton.
- Edmonton Global and Edmonton Unlimited are not currently active in the esports space, but remain ready to support efforts of other municipal partners and post-secondaries as they expand to broader esports development, business attraction and event spaces.

The current priorities of each of these organizations are outlined below:

- Edmonton Global is currently prioritizing the expansion of Edmonton in artificial intelligence, technology talents and nanotechnology opportunities.
- Explore Edmonton Business Events is currently prioritizing the attraction of business events across the broader economic sector, and those aligning with the University of Alberta, the Alberta Machine Intelligence Institute and Edmonton Global.
- Edmonton Screen Industries Office is currently prioritizing the development of local intellectual property in their indie studios.

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### GBA+

A comprehensive equity challenge noted for esports is that of the lack of presence of women, or those identifying as women, in esports gaming.

- According to the Newzoo Global Games Market Report 2022<sup>5</sup>, almost half of gaming enthusiasts are women, and females make up 46 per cent of the approximate 3.2 billion gamers worldwide. The same report notes that based on “gaming personas” most women gamers are only casual esports fans, or play mainstream games only casually.
- State Press News<sup>6</sup> stated that only 8.2 per cent of college esports players were females, according to the 2022 data from the National Association of Collegiate Esports, adding that only 4 per cent of esports coaches were women.
- The Alberta Esports Expo 2023 post-event report (Attachment 2) identified that the major demographic reached with this event were those identifying as male (74 per cent) followed by female (19 per cent), non-binary (5 per cent), along with other individuals identifying as two-spirit and preferring not to answer.
- Vimy Ridge Esports Academy, now in its second year, noted to Administration that the program was male dominated, but were encouraged by the application of their first female to the program.
- In addition, statistics show<sup>7</sup> the disparity between prizes between male and female esports tournaments, another area without equity for women gamers.

While esports is recognized as a male dominated arena, several programs globally have emerged that are focused on bringing gender - and cultural - equity to esports. These include:

- Girls Who Game is an extracurricular program created by Dell Technologies with partners Microsoft and Intel. It provides an opportunity for underserved students across the world to learn about science, technology, engineering, and mathematics (STEM) through gaming. Girls Who Game is promoted by Esports Canada.
- #FAMEHERGAME aims to increase visibility, build grassroots opportunities and create a safe space for women competing in the Fédération internationale de football association (French for 'International Association Football Federation') FIFAe<sup>8</sup> soccer esports ecosystem. In addition, FIFAe will host a bootcamp to give women FIFAe players a chance to learn, meet and compete against each other. Participants will be offered support around coaching, content creation, and other relevant topics to assist their professional development.
- Live Forever is a Canadian-based organization that aims to connect Indigenous gamers, esports competitors and streamers across North America. It aims to provide a safe space to those in isolated communities, facing personal challenges, or seeking a sense of community.

Equity approaches could include highlighting the inclusion of women, diverse ethnicities, and newcomers in gaming through panels, discovery sessions, and other approaches in concert with Alberta Esports Association. Positive stereotyping and role model campaigns, women's only

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<sup>5</sup> Newzoo.com, *Global Games Market Report 2022*. 2022.

<sup>6</sup> statepress.com/article/2022/12/women-underrepresented-in-collegiate-esports, Ruby Moley, November 30, 2022. Data: National Association of Collegiate Esports

<sup>7</sup>theguardian.com/games/2021/dec/02/why-do-female-pro-gamers-earn-less-than-men-esports, Jay Castello. December 2, 2021.

<sup>8</sup> The esports division of FIFA.

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events with prizes echoing the male arena, and harassment education may all bring positive steps toward equity in esports.

### **Attachments**

1. Actions Within Municipal Influence
2. Game Con Canada
3. Gaming Initiatives and Future Opportunities
4. Alberta Esports Expo Post-Event Report
5. Possible Expansion of Roles