

An Analysis of the Innovative Development Path of the E-Sports Industry: Taking TJ Sports as an Example

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Abstract. With the rapid development of internet technology and the booming digital entertainment industry, e-sports have emerged as a new form of competition, quickly rising to prominence on a global scale and becoming a focal point of attention. This study aims to explore the innovative development path of China's e-sports industry, with a deep analysis of TJ Sports as a case study. By examining the development history, platform attributes, construction of the e-sports ecosystem, and innovative strategies of TJ Sports, the key factors behind its success are revealed. The research indicates that TJ Sports has achieved rapid development and a leading market position by continuously optimizing its online platform, constructing a comprehensive e-sports ecosystem, and implementing innovative strategies. The study finds that China's e-sports industry faces several challenges, including policy regulation, market competition, and talent shortages. These issues require collective efforts to address in order to promote the industry's sustained and healthy development.

Keywords: E-sports ecosystem; TJ sports; innovative development; online platform; event live broadcast operation.

1. Introduction

Since the twenty-first century, the development of the internet and the growth of the gaming and entertainment industry have provided a nurturing environment for the e-sports industry, whose novel competitive model has quickly gained a foothold in the global market. As one of the largest e-sports markets globally, China's e-sports industry is experiencing unprecedented opportunities and challenges for development.

Against this backdrop, exploring the innovative development path of China's e-sports industry is of great significance for promoting the sustained and healthy development of the entire industry.

TJ Sports, as a leader in China's e-sports industry, has stood out in fierce market competition with its unique development model and outstanding innovation capabilities. One of its event operation IPs, the LPL region, had over 21.8 billion professional event live broadcast views in 2023, with professional event content views exceeding 100 billion. The revenue from LPL's broadcasting rights alone reached approximately 450 million RMB. After years of development, LPL has formed a solid fan and audience base. Both domestically and internationally, LPL events can attract a large number of viewers. This article looks at TJ Sports to find out what made it successful. It wants to give ideas and lessons for China's e-sports industry in the future. It does this by studying TJ Sports' growth, what makes its platform special, how it built its e-sports world, and the new ways it does things [1].

2. The Development History of TJ Sports

Since 2017, the scale of China's e-sports industry has steadily expanded, and its internationalization has increased year by year [2]. TJ Sports, a team-up between Tencent Interactive Entertainment and Riot Games, began on January 10, 2019, as part of efforts to boost global connections and partnerships. Right from the start, they set some big goals for the next three years: to earn 1 billion yuan in total, have their league watched for a total of 4 billion hours, and turn LPL into a really important sports brand in China.

In its initial period, TJ Sports quickly stood out in the e-sports field with keen market insight and forward-looking strategic layout. TJ Sports focuses on user experience and technological innovation, quickly accumulating a large number of loyal users. The company actively cooperates with major media platforms to expand brand awareness and increase market share.

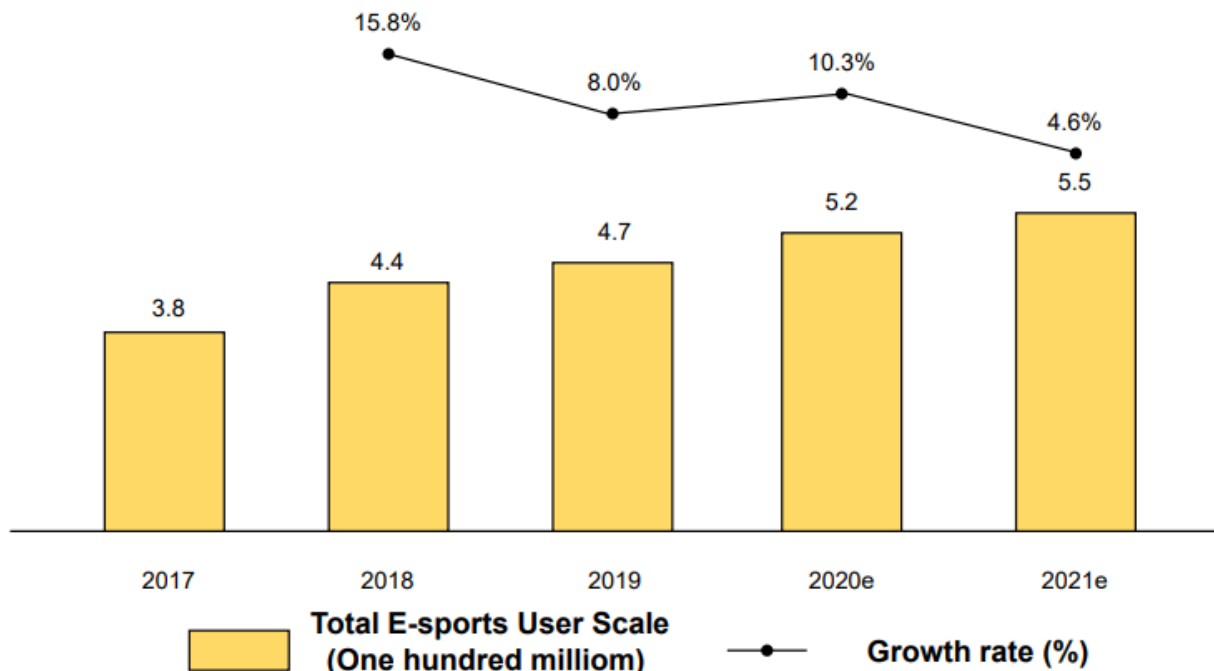


Fig. 1 The scale of China's e-sports users from 2017 to 2021 during TJ Sports' growth period 2.1.2
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As shown in Figure 1, with the rapid and steady growth of China's e-sports user base, it was roughly estimated to be 550 million by 2021, the market continues to expand and competition intensifies [3]. TJ Sports gradually entered its growth period. TJ Sports strengthened cooperation with well-known domestic and international e-sports clubs, event organizers, media organizations, to jointly promote the development of the e-sports industry. "In 2020, the LPL region's professional event live broadcast views exceeded 21.8 billion, and professional event content views exceeded 100 billion." On January 9th, at the LPL Spring Tournament and the second anniversary of TJ Sports' establishment, the LPL official announced this set of figures.

Now, TJ Sports has entered its maturity period. Just the golden sign of LPL had broken through 100 billion views in 2023, and the market size is estimated to reach 180 billion in 2024. At this stage, the company not only has a huge user base and stable revenue sources but also has established a good reputation and image in the industry. The company continues to deepen technological innovation and product development to continuously improve product competitiveness and user experience. At the same time, TJ Sports is also actively exploring new business models and profit channels, such as e-commerce and offline activities, to achieve diversified development.

3. The Platform Attributes of TJ Sports

3.1. Platform Architecture

TJ Sports' online platform adopts advanced technical architecture and design concepts to ensure the platform's efficient and stable operation. The platform uses a distributed architecture that can handle and store massive amounts of data; at the same time, it uses highly available and scalable design schemes to ensure the platform's stability and reliability when facing high-concurrency visits. In addition, TJ Sports also focuses on user experience design, providing users with an excellent experience through a clear interface layout and smooth operation process.

3.2. User Group Analysis

TJ Sports' user base is widely distributed across various age groups and regions, mainly young people. These users are usually passionate about e-sports, pursuing excitement and competitive fun. They not only pay attention to the competition itself but also actively participate in community discussions and share game experiences and insights. To meet the needs of different users, TJ Sports provides a variety of content and services, including event live broadcasts, player information, game strategies, etc. TJ Sports enhances event interactivity, provides personalized content recommendations, cross-border cooperation innovation, and cultivates new stars, etc., to improve user experience and stickiness. At the same time, through cultural output and event innovation, it strengthens the influence of e-sports culture and attracts a broader user base. In addition, strong innovation and unique systematic community construction can continuously empower the positive feedback between e-sports services and user groups.

3.3. Functional Features

TJ Sports' online platform has rich functional features. First, the platform provides high-definition and smooth event live broadcast services, allowing users to watch exciting moments of top domestic and international e-sports events in real time. Second, the platform also has a player information area where users can understand the latest player dynamics and competition information. In addition, the platform also provides game strategies and tutorial videos to help players improve their game skills and levels. Finally, TJ Sports also focuses on community construction, encouraging users to participate in discussions and exchanges, forming an active and vibrant e-sports community.

4. The Construction of TJ Sports' E-Sports Ecosystem

4.1. Partnership Relations

TJ Sports actively establishes close cooperation with well-known domestic and international e-sports clubs, event organizers, media organizations, etc. Through cooperation in hosting events, sharing resources, and joint promotion, a win-win situation is achieved. The establishment of these partnership relations not only enriches TJ Sports' event content and resource reserves but also enhances its influence and discourse power in the industry [4].

4.2. Event Operation and Management

TJ Sports has accumulated rich experience and expertise in event operation and management. The company has a professional event operation team responsible for event planning, organization, and execution. During the event planning stage, the team will fully consider market demand and user preferences to formulate event themes and formats that conform to trend trends; during the event organization stage, the team will carefully arrange the schedule and venue layout; during the event execution stage, the team will ensure the smooth progress of the event and promptly handle emergencies. In addition, TJ Sports also pays attention to event promotion and publicity work, attracting more audiences to pay attention to and participate through multi-channel promotion and marketing activities [5].

4.3. Commercial Monetization Model

From a commercial perspective, from 2018 to 2020, LPL's commercial income has increased every year, with brand and copyright cooperation income growth rates of 24%, 81%, and 35%, respectively. TJ Sports has adopted a diversified strategy in commercial monetization. The company makes money in three main ways: First, by getting ads and teaming up with other brands; Second, by offering special memberships and charging for extra content to give different users what they want; And third, by looking for ways to make money through online stores and events in the real world to have more ways to earn. The direct benefits brought by e-sports to Tencent have been increasing year by year,

with in-game purchases, advertising, and event broadcasting rights sales being the main sources of income. According to financial reports, the year-on-year growth rate of Tencent's e-sports-related benefits has reached more than 20%. The implementation of these commercial monetization models has not only brought considerable income returns to TJ Sports but also promoted its sustainable development capabilities [5].

4.4. E-Sports Event Domestic and International Parallel Broadcast Model

According to the "2020 China E-Sports Industry Research Report" released by iResearch, the scale of China's e-sports market exceeded 1 trillion yuan in 2019. In addition, according to Newzoo's "Global E-Sports Market Report," the global e-sports population reached 1.956 billion in 2020, with more than 200 million core enthusiasts [6]. In the first half of 2024, China's e-sports industry continued to maintain steady growth, with a total income of 12.027 billion yuan, a year-on-year increase of 4.43%. Among them, e-sports game live broadcast income accounted for a high proportion of 79.45%, becoming the main source of income [7].

TJ Sports also pays great attention to the development of offline cinemas and online viewing in parallel. Public records tell us that in 2023, TJ Sports teamed up with the 16 biggest movie theaters across the country to put on special movie theater events. These events were held in 508 theaters in 40 different cities. They got over 90 million people to see their events in person, and almost 130,000 people bought tickets to watch the games [8].

While domestic viewing data continues to grow, LPL's overseas viewing data has also reached a historical high, with the highest number of people watching LPL's overseas live broadcast in 2020 reaching 292,000. Compared with 2023, LPL's cumulative viewing time has increased by 6%, the peak number of viewers has increased by 1.25%, and the average number of viewers has increased by 12.67%. This also indicates that TJ Sports is taking internationalization as a key direction for development [9].

5. TJ Sports' Innovative Strategies

5.1. Technological Innovation

TJ Sports has always regarded technological innovation as the core driving force for enterprise development. The company continues to invest in R&D resources to introduce advanced technologies and equipment to improve the performance and stability of the online platform [10]. For example, the company uses cloud computing and big data technology for in-depth mining and analysis of user behavior to accurately push personalized content and services to meet user needs. In addition, the company is also actively exploring the application of cutting-edge technologies such as virtual reality (VR) and augmented reality (AR) to provide users with a more immersive viewing experience.

5.2. Business Model Innovation

TJ Sports has also made bold attempts in business model innovation. The company not only obtains income through traditional advertising sponsorships and brand cooperation but also actively explores new business models to expand profit channels. For example, the company has launched membership systems and paid content and other value-added services to meet the personalized needs of different users; at the same time, the company is also actively expanding its business scope in e-commerce and offline activities to achieve diversified development. The implementation of these innovative measures has not only enhanced TJ Sports' market competitiveness but also laid a solid foundation for its sustainable development [6].

5.3. Event Operation Innovation

TJ Sports has also shown strong innovation capabilities in event operation. The company continuously innovates in event formats and content to attract more audience attention and

participation [11]. For example, the company introduces cross-border cooperation elements to combine e-sports events with other fields to create a new viewing experience; at the same time, the company also focuses on the interactivity and participation of events by setting up audience voting, lotteries, and other links to enhance the audience's sense of participation and belonging. The implementation of these innovative measures not only enhances ornamental and interesting of the event but also promotes the spread and development of e-sports culture [12].

6. Conclusion

Through in-depth analysis of TJ Sports, the following conclusions can be drawn: The key to TJ Sports' ability to stand out in fierce market competition and achieve significant achievements lies in its consistent adherence to an innovation-driven development strategy, continuous optimization of the online platform, construction of a comprehensive e-sports ecosystem, and implementation of innovative strategies. These measures have not only enhanced TJ Sports' market competitiveness but also laid a solid foundation for its sustainable development. At the same time, TJ Sports' successful experience has also provided valuable references and insights for other e-sports companies.

Looking forward to the future, China's e-sports industry will usher in broader development prospects. On the one hand, with the continuous advancement of technology and policy support, the e-sports industry will continue to maintain a rapid growth trend; on the other hand, as user needs continue to change and market competition intensifies, e-sports companies need to continuously innovate and upgrade to adapt to market changes.

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