SiGHT for GROWTH

– a monthly series

JUNE | 2024

The evolution of Gaming & E-sports in the Middle East

1990's : Arcade Culture | PC & Console Gaming

In the 1990s**, arcades were key to establishing the gaming culture**. PC and console gaming surged in the late 1990s with games like Counter-Strike and FIFA gaining popularity.

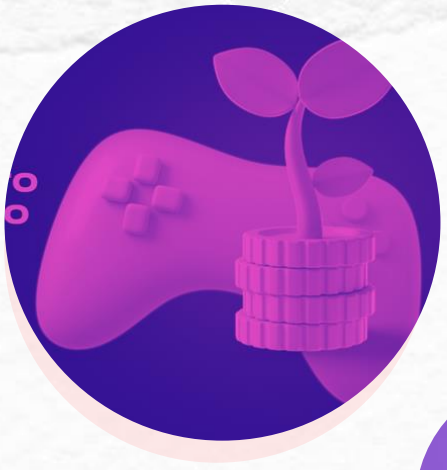
2000-2010's : Internet Cafes | Rise of E-sports

Increased internet penetration and availability of high-speed broadband significantly contributed to the growth of online gaming.
This has **made multiplayer games more accessible**, leading to the **establishment of local gaming communities**. **Internet cafes became popular social hubs**, marking the emergence of **competitive gaming at a grassroots level.**

In the mid-2000s, local gaming tournaments and LAN parties started to surface, playing a vital role in nurturing a competitive gaming atmosphere.

By the late 2000s, the region hosted its inaugural major e-sports events, which began to attract sponsorships and media attention, setting the stage for a structured e-sports scene.

Factors impacting growth in the Modern Era of Gaming & E-sports



Institutional Support and Investment

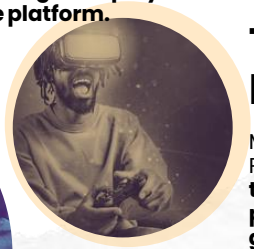
Saudi Arabia's **Vision 2030 includes developing gaming and e-sports infrastructure**. It established SAFEIS (Saudi Arabian Federation for Electronic & Intellectual Sports) to formalize & boost e-sports.

Major Tournaments and Leagues

Esports in this region gained **global prominence** with tournaments like 'Gamers Without Borders' & 'PUBG Mobile Pro League'. **Regional leagues** for games such as FIFA and League of Legends were created, **offering local players a competitive platform.**

Professionalization of E-sports

Investments in e-sports have led to the **development of professional teams** like Team Nigma and NASR Esports. **Advanced training facilities and e-sports academies** help nurture local talent for international competitions.



Technological Progress

Mobile gaming, **popular titles** like PUBG Mobile and Clash of Clans, **thrives due to smartphone prevalence**. 5G networks **boost gaming with quicker connections, VR and AR tech offer immersive experiences**, with VR arcades in major cities.

Cultural and Social Influence

Gaming and e-sports are popular among youth, **gaining mainstream acceptance with significant media coverage**. They provide platforms for social interaction, building communities both online and offline at gaming cafes and e-sports arenas.

International Collaborations

The Middle East is becoming **more involved in the global** gaming and e-sports scene **through partnerships, joint ventures, and international event participation**.

Inclusion and Diversity

Efforts to promote **gender inclusion** in gaming are increasing, with more visibility and participation from female gamers. Local game developers are **incorporating Middle Eastern culture and traditions** into their content, enriching the gaming industry's diversity.

So, what does the boom in gaming & e-sports industry mean to consumers?

How is it impacting and influencing their life choices?

How can companies leverage any potential opportunities?

Key Trends that will further boost the thriving gaming & e-sports landscape in the Middle East

Trend 1

Emergence of Local Game Developers

Trend 2

Gaming & e-sports as a career option

Trend 3

New age technology is transforming the industry

Trend 4

Expansion of gaming-as-a-service

Trend 5

Streamlined Compensation and Collaborative Creation

Trend 6

Educational and Serious Gaming

Trend 7

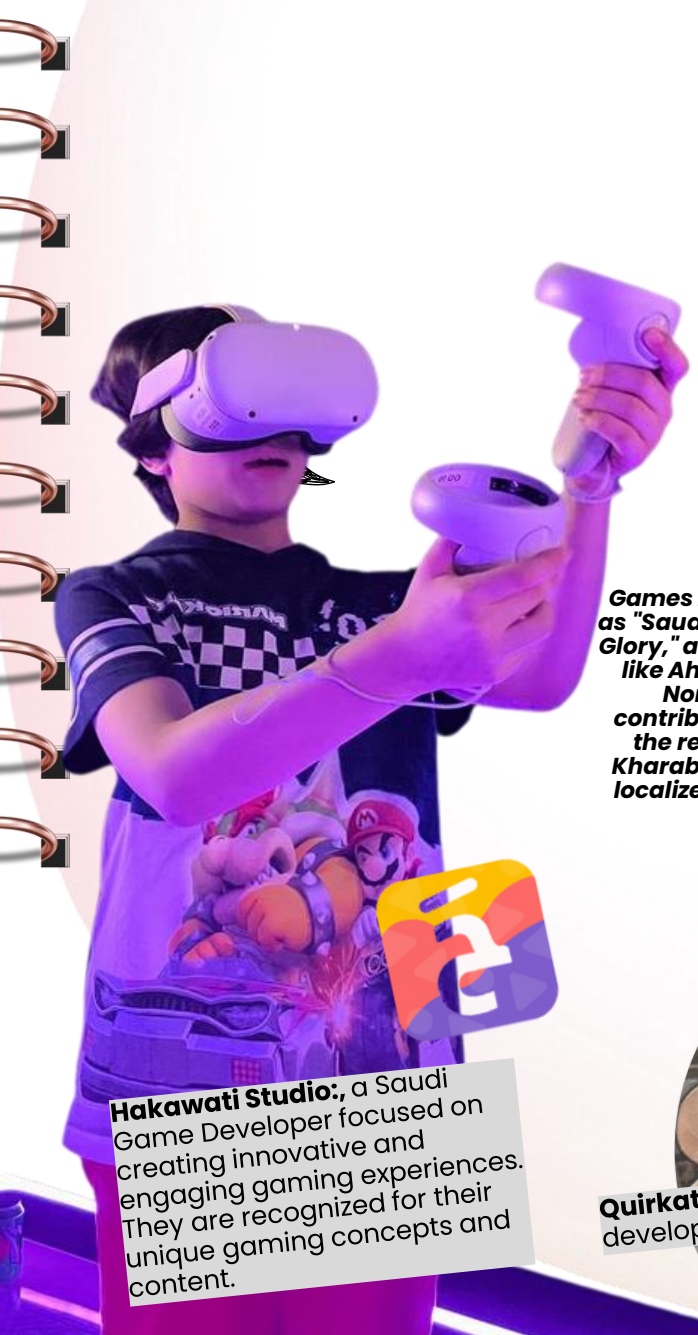
Rise in sports & fitness gamification

Trend 1

Emergence of local game developers

Playable content localization is increasing in the Arab world, with a **rise in local game development studios** in **Jordan, Lebanon**, and **Egypt**.
Platforms like YouTube and Twitch are witnessing a rise in **Middle Eastern gaming content creators.**

Local game developers in the Middle East offer opportunities for businesses to expand market reach by **collaborating with influencers**, **using localized content**, and **exploring new streaming platforms**. Investing in innovative indie projects and **incorporating cultural elements** can help establish **a strong regional presence in the growing gaming market.**



Falafel Games: Founded in Bahrain, they are known for developing mobile games. Their goal is to blend the local culture and gaming.

Games incorporating local culture, such as "Saudi Girls Revolution" and "Knights of Glory," are gaining popularity. Influencers like Ahmed Yousif (D7oomy_999) and Nora Al-Daher (Noor Stars) are contributing to the growth of gaming in the region. Streaming platforms like Kharabeesh are emerging to offer more localized content for the Middle Eastern audience.

WhistGame
Founded in Riyadh in 2021, they connect entertainment and communication through gaming applications. They use innovative gameplay and interactive features.

Quirkat: In the UAE they are known to develop “culturally relevant games”

Hakawati Studio:, a Saudi Game Developer focused on creating innovative and engaging gaming experiences. They are recognized for their unique gaming concepts and content.

Trend 2

Gaming & E-sports as a career option

Gaming and e-sports, once considered a niche & unconventional career path, has **gained significant momentum and acceptance** in recent years. This shift is attributed **to increasing number of professional degrees or certificates** in gaming, supported **by grants & scholarships**.

Businesses can **benefit by investing in gaming, forming alliances, and nurturing local talent in the expanding e-sports market.**

The Dubai Program for Gaming 2033 sets ambitious targets, including the creation of 30,000 jobs, a $1 billion boost to GDP, and achieving global gaming leadership.

Concurrently, Saudi Arabia is making substantial investments in establishing gaming studios and e-sports arenas. Savvy Games Group has recently executed major acquisitions worth $6.4 billion. Their current strategy includes forming partnerships with Japanese game developers, aiming to entice them to open local offices.

Saudi Owned by the Public Investment Fund. Their investment involves stakes in companies, the purchase of game publishers and the support of early stage games and esport companies. Savvy's goal is to create around 40,000 jobs and establish 250 game developers by the year of 2030.

Gaming hubs that provide gamers a space and platform to compete, practice and engage in e-sports

STC, Etisalat and Ooredoo sponsor e-sports tournaments and events. They promote the gaming culture & provide a network for gamers.

Trend 3

New age technology is transforming the industry

Companies are exploring innovative gaming experiences using VR and AR technologies, making these more accessible to the public. **VR arcades in malls** provide immersive gaming experiences. **Generative AI is enhancing game creation and player interaction**, fostering creativity and collaboration between players and developers.
Generative AI is leading a disruptive wave, marking a shift in how games are created, experienced, and perceived.

This transformation presents businesses with opportunities to **leverage advanced technologies to create unique, engaging experiences, fostering a future rich** with shared stories and enhanced player engagement.

Boundaries are shifting in gaming, moving towards co-creation. This shift offers developers increased creative opportunities beyond technical advancements, focusing on shared storytelling for the future of the industry (PWC report).

Cloud gaming: This allows players to stream games directly to their devices without the need of expensive hardware. Accessibility to the gaming audience and are supporting the growth of e-sports by making it easier for gamers and people to play high quality games.

Metaverse and Augmented Reality (AR): Partnerships such as Mastercard and Saudi E-sports Federation (SEF), are integrating the technology to help enhance in-game experiences while providing gamers with digital and physical benefits.

Trend 4

Expansion of gaming-as-a-service

Gaming-as-a-Service (GaaS) combines **cloud and non-cloud games** in subscription models, benefiting indie developers and major gaming companies with predictable revenue and player engagement. Bundling with other entertainment forms expands choices, fostering richer experiences and promoting continuous growth and innovation in entertainment.

Overall, **GaaS transforms the business model** of gaming companies, offering **sustainable growth**, enhanced **customer engagement**, and **new opportunities for innovation and expansion.** . It enables **targeted marketing, rapid innovations, and device-agnostic access to extensive game libraries.**

Nine66: a part of Savvy Game Group, it provides support and facilities for game developers. They offer development support, funding and access to industry experts. Nine66's goal is to help local developers create games that can be offered as a service.

Batelco: Based in Bahrain, they have been supporting cloud gaming integration. They offer wifi speed internet packing and gaming collaboration to give gamers in Bahrain seamless gameplay.

SPOILZ
Gaming Together!

Spoilz Game: Focuses on developing mobile and cloud-based games that are easier to access for the broad audience. Their goal is to provide users with uninterrupted gameplay.

Trend 5

Streamlined compensation and collaborative creation

The gaming industry is undergoing a transformative revolution, becoming **more vibrant and democratized. Modern platforms** are enhancing transparency and **streamlining royalty collection**, ensuring fair and prompt compensation for creators. This **fair compensation model is attracting a diverse array of talent,** from **hobbyists** to **seasoned professionals**, leading to a broader range of gaming options and increased community engagement.

Collaborative efforts, open-source platforms, and innovative tools are driving rapid project iteration and launch, **fueling market innovation and growth for businesses.**

Merak Capital and IMPACT46 manage funds as a part of the Gaming and Esports Financing Program. The focus is on providing financing for gaming and e-sports companies. They want to amplify local content, speed up growth while ensuring economic sustainability in the industry. They are focused on creation of a collaborative and supportive environment for e-sport professionals and developers.

Trend 6

Educational and serious gaming

There is a **growing trend of using games for educational purposes** in the Middle East. These games are designed to make learning more engaging and interactive for students.

Developing games that address social issues, health, and wellbeing provides a powerful platform for awareness and education. This not only **opens new revenue streams but also positions businesses as leaders in socially responsible innovation, fostering a positive impact on communities** while driving growth and engagement in the gaming sector.

Qatar's Ministry of Education has integrated educational games into the curriculum to enhance student engagement and learning outcomes

Ministry of Education launched new improvements to learning gamification methodology

Saudi Federation for Electronic and Intellectual Sports (SAFEIS) They are leveraging e-sports for educational purposes, including collaborations to merge gaming and education to enhance learning outcomes.

Misk Schools students enjoy 'BTEC in Esports' lesson

Trend 7

Rise in sports and fitness gamification

AR/VR technologies are revolutionizing the **wellness industry** by merging digital and physical realms. Businesses can engage customers with i**mmersive fitness routines, clear goals, rewards,** and social platforms for community and competition. **Personalized challenges** aid individual progress.

Real-time data insights optimize performance and **make fitness more accessible by eliminating barriers like gym memberships.** This trend presents opportunities for businesses to provide **unique fitness experiences,** f**ostering growth and innovation in the sector.**

Badir Program
They have funded startups that mix technology with gamification in sports and fitness. This company is trying to focus on health tech.

Fitir App
A fitness app that provides nutritional advice, a community and workout plans, it is not exclusively gamified.

Taqadam Accelerator
Managed by Saudi Aramco Entrepreneurship Center, they support startups that have been trying to combine fitness and gaming.

Mind-the-Gap

Here is a snapshot of the generational mindsets to help better connect with them...

BABY BOOMERS
(1946 - 1964)

Baby Boomers enjoy casual and strategy games like Sudoku and Candy Crush, as well as games that promote social interaction. Many prefer mobile gaming on smartphones or tablets for relaxation and bonding with family. Video gaming can bridge generational gaps and create shared experiences.

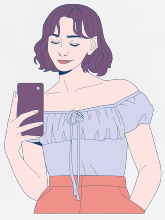
Gen X enjoys retro games, casual gaming on mobile devices, and watching e-sports. They support their children's gaming interests, manage screen time, and value educational games. Gen X contributes to the gaming economy by purchasing consoles, games, and accessories, influencing market trends and supporting the industry.

GEN X
(1965 - 1980)

GEN Y
(1981 - 1996)

Millennials embrace both retro and modern gaming, engaging in e-sports, following professional gamers, and forming gaming communities. They pursue careers in gaming, content creation, and e-sports management. Millennials invest in gaming-related expenses, drive demand for gaming merchandise, and influence gaming technology advancements through beta testing and feedback.

Gen Z prefers gaming over traditional media for entertainment, engaging in mobile games and e-sports like Fortnite and League of Legends. They use gaming for social interaction and learning, inspiring careers in technology. Esports provides diverse career options beyond playing, with inclusivity efforts increasing participation. Gen Z's spending on in-game items boosts gaming revenue, and the market for gaming merchandise is growing.



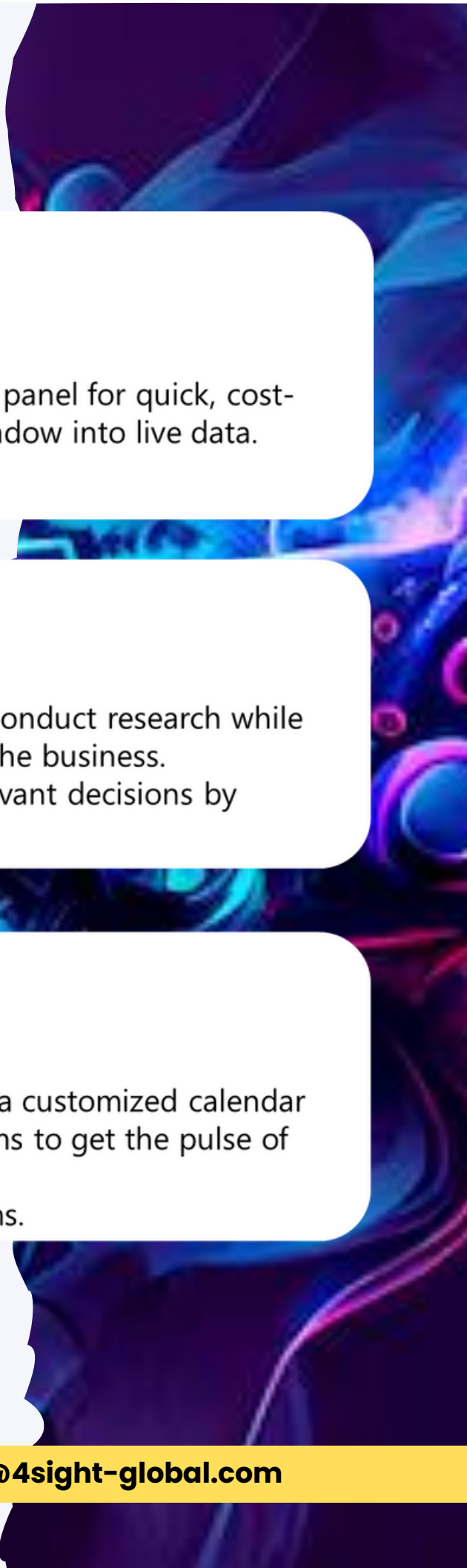
GEN Z
(1997 - 2012)

GEN ALPHA
(2012 onwards)

Gaming is a key entertainment medium for Gen Alpha, offering diverse games for entertainment and education. Platforms facilitate socialization, teamwork, and immersive experiences using VR and AR. Educational games cover different subjects, while integrating physical toys enriches gameplay. Localized games strengthen cultural ties, and exposure to international games boosts global awareness. Gaming influencers and e-sports athletes shape values, promote healthy gaming habits, and inspire educational and career pursuits.

OUR

4SiGHT Live Suite



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OUR

Calendar

JANUARY

TRENDS SHAPING OUR REGION

FEBRUARY

RAMADAN IN THE POST PANDEMIC ERA

MARCH

EVOLVING LANDSCAPE OF LEISURE & ENTERTAINMENT

APRIL

CHANGING FACE OF CUSTOMER EXPERIENCE

MAY

EVOLVING RETAIL LANDSCAPE

JUNE

THE THRIVING GAMING INDUSTRY

JULY COMING SOON)

THE MIDDLE EAST LUXURY CONSUMER