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*Original scientific paper*

# TWITCH PLATFORM BUSINESS PERFORMANCE EVALUATION

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## Abstract

The aim of this paper is to investigate and analyze the business results of the Twitch platform. The platform operates in the platform economy model, and it is necessary to analyze the trend of the number of users and streamers in relation to the income trend in order to analyze the stability of the network effect of the platform. Statistical trend regression models are used in the paper in order to compare the movements of the analyzed parameters. The results of the research indicate a slowdown in income growth and a stabilization of income at a level that satisfies the current method of monetization. The trend in the number of streamers shows a very similar trend, while the number of users is still increasing. The growth in the number of users, while at the same time stabilizing the number of streamers, strengthens the network effect of the platform, which enables it to continue its business safely. The platform is approaching the point of saturation of income and the number of streamers, which means that it is entering a mature stage of business activity.

***Keywords:*** *digital transformation, network effect, platform economy, Twitch, zero marginal cost*

## INTRODUCTION

Twitch is the largest and most widely used live streaming platform globally (Foxman et al., 2024; Jackson, Johnson, 2024). The platform allows users to become streamers by starting their own channel streaming whatever content they want (Burroughs, Rama, 2015). The possibility of live transmission has placed the platform in the center of attention of subjects who follow live transmissions and has become the subject of various discussions about the vibrancy of media and media production (van Es, 2017). According to McLuhan's (1967) definition of media, the Twitch platform is defined as a "live mixed medium", and is described as a medium with hot and cold media forms, and composed of three dimensions: game graphics (high fidelity), live video from a webcam (medium fidelity) and chat (low fidelity) (Hamilton et al., 2014).

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Twitch is a platform that allows you to follow programs in direct transmission, which is combined with text communication (Chat), along with all the other characteristics of social media such as "liking", "following", content sharing, subscription models and the use of special tools for creators (Partin, 2020). Twitch differs from other video and streaming platforms because of its unique combination of factors that facilitate streaming, user interaction, and most importantly community building (Anderson, 2017). Since the emergence of the Covid-19 pandemic, the number of users of the platform has increased by 37.8%, and the largest number of users on the Android platform were teenagers (Chae, 2025). The platform has a dominant role in the streaming market outside of China with 1.645 billion hours of live video per month, most of which comes from video games (Stephen, 2020).

## 1. LITERATURE REVIEW

The Twitch platform works in the model of live content delivery to users, that is, the model is known as "Livestreaming". The platform was founded in 2011, and in 2014 it was acquired by Amazon for $940 million (Pollak et al. 2021). The combination of the engagement of streamers and viewers on the one hand and the business model based on the direct transmission of content on the other has created additional and almost intractable problems for traditional media. This particularly affected the authority of the traditional media, which was strongly shaken by the mutual connection between content creators and audiences (Foxman et al., 2024). Social media platforms like Twitch position themselves as digital intermediaries for information sharing (Gillespie, 2010) rather than gatekeepers (Russell, 2019). Streamers maintain channels as personalized digital spaces through which they can broadcast live content (Navarro, Tapiador, 2023). Most users of the platform are passive users who support their favorite streamers as content subscribers or in some other form of monetization (Gerber, Botzakis, 2017).

Twitch is especially popular among young people because it is a modern forum for the exchange of ideas and live communication, while also providing entertainment and informative content (Vasquez-Herero, 2022). A special characteristic of the platform is the encouragement of users to communicate with each other as well as with the stream (Ilan, 2021). The continuous growth of the number of users and their retention on the platform are fundamental factors in the stability of the network effect (Parker et al., 2016), and the development of the platform economy model (Moazed, Johsnson, 2016). The platform is founded as a digital infrastructure that actively uses the effects of digital transformation within the media industry (Lozić et al., 2024). A Twitch streamer actively and two-way communicates with his audience in real time. They often ask the audience which match they want to watch and choose one of the most popular (Chae 2025). They differ from television hosts precisely in that there is no pre-prepared text and script, and that they communicate two-way with their audience, who actively participate in the creation of content (Sherrick et al. 2023). The Twitch platform is part of the media industry that entered the television industry with a "frictionless entry" model, that is, it bypassed existing barriers and built a completely new market (Lozić et al., 2025). At the same time, research results have proven that the largest number of streaming hours is at night due to the greater response of the user community (Johnson, 2025).

Abolfathi (2025) proved that when a platform faces minimal competition from other platforms, multi-access creators generate more value. Accordingly, when platform competition intensifies, single-access creators increase their efforts and outperform their multi-access counterparts. This particularly affected the creators on the Twitch platform after the association with Amazon Prime (Abolfathi, 2025). Unlike video on demand, watching content on Twitch is done in real time and the content is created at that moment (Deboray, 2025). The digital transformation of the media industry had a significant impact on social and economic processes, and the habits of watching and consuming digital content changed very strongly (Lozić, Fotova Čiković, 2024a).

In the video platform industry, YouTube has long been in first place by the number of hours of content, but the Twitch platform is attacking that position very strongly. Twitch produces an extremely large amount of live content, as well as live streaming video games, making it a leader in this branch of the industry. Creators on the Twitch platform usually stream a program related to themselves, but according to the number of hours of broadcasting, video game streaming is the first (Abolfathi, 2025). Unlike most social networks that have asynchronous chat, Twitch has a synchronous chat where messages are left in real time (Chae, 2025). Real-time chat communication is a key factor that differentiates the Twitch platform from classic terrestrial television (Spilker, 2020). Channels and streamers have their own special narratives that the audience follows. Each streamer's individual stream functions as part of the entire narrative puzzle (Signoreli, 2019). The platform acts disruptively within the segment of the media industry and thus builds its competitive advantage (Lozić, Fotova Čiković 2024b). Research results have proven that 22.4% of streamers produce their own content and thus generate 80% of the total content on the platform (Molina, Navaro, 2022). Amazon Prime users were offered a free subscription to any Twitch channel of their choice, which gave a special impetus to the development of the Twitch platform, and overnight it became a platform attractive to a wide audience from a niche platform intended for hardcore players (Abolfathi, Santamaria, 2020).

Research on violence on Twitch has proven that there is almost the same level of violence as on terrestrial television. The same or almost similar model of using violence that was used to attract a television audience was subsequently used to attract an audience on social media, namely the Twitch platform (Chae, 2025). The results of the research confirmed the high viewership of poker on the platform, which opens space for new research in various fields of science on the connection between playing poker for real money and watching a live game (Johnson et al., 2025). In 2025, Twitch became the leading streaming platform for live games with an average of 2.4 million simultaneous viewers and 7.2 million monthly streamers (Gonçalves et al., 2026). Research related to the platform is mainly in the field of content analysis published by streamers and audience analysis of different content. The paper will analyze the financial aspect of the platform's business, namely the revenue trend in the selected period, and the trend in the number of users and streamers that directly affect the two-way network effect of the platform. There is very little data on this topic in databases, which gives the work a special scientific contribution.

## 2. METHODOLOGY AND DESIGN

The research and analysis cover a period of nine years, i.e. the period from 2016 to 2024. The research is focused on the analysis of the platform's income and the trend of the

number of users and streamers on the platform. Twitch is a platform that is organized in the platform economy model and cannot be analyzed as a subject of the classical media industry. The platform generates income from users in different forms of monetization, and they are based on different forms of payments of financial resources that go from users to streamers. The relationship between the number of users and the number of streamers and the number of hours watching live programs is the most important factor in the stability of the network effect on the platform. Twitch uses a two-sided network effect to stabilize and grow the business, with the goal of growing user payments to streamers. In business, the platform uses the effects of zero marginal cost (Rifkin, 2015) as well as the effects of the long tail economy (Anderson, 2006).

The research and analysis use data on financial indicators published by the corporation, scientific papers that refer to the topic of platform business, and the results of research by specialized agencies and portals that deal with the business of organizations from the platform economy model. The research is based on two research questions:

1. $RQ_1$ – What was the income trend in the selected period?
   Streamers on the platform are focused on financial results and profit generation. By producing content, they attract an audience to achieve this, and the platform takes its share (Wohn, 2019). The models by which viewers spend money characterize the relationship between users and the platform (Ask et al. 2019). Before they can monetize their content, streamers must achieve partner status (Jacksons, Johnsons, 2024).
2. $RQ_2$ – What was the trend in the number of users and streamers in the selected period?
   In August 2024 alone, 2.3 million users watched more than 1.7 billion hours of streaming content (Hoffmann et al. 2025). During the Covid-19 pandemic, viewership grew exponentially (Navarro, Tapiador, 2023). In the USA, 6% of the population uses Twitch (Hoffmann et al., 2025), and among teenagers, 20% use it (Anderson et al., 2023).

In the revenue trend analysis, financial and statistical parameters were used to determine the revenue trend in the selected period. In the trend analysis of the number of users and streamers, the same statistical regression models were used as in the revenue trend analysis to ensure that the data were comparable. The trend of revenue and the number of streamers was degressive, while the trend of the number of users was exponential. Accordingly, the appropriate regression equations were used. The results of the analysis are published in Chapter 4, and the explanation and conclusion are in Chapter 5.

## 3. DATA ANALYSIS

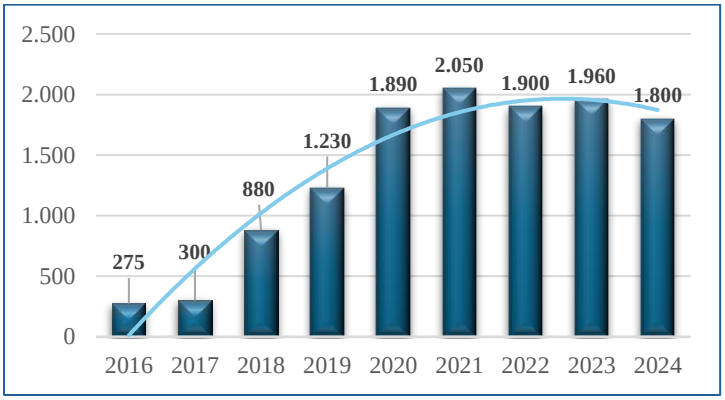
Research and analysis are divided into two basic parts. In the first part, the trend of the platform's income is analyzed, and in the second part, the trends of the number of users and streamers.

### 3.1. Revenue analysis

Financial transactions between users of the platform, from which the platform generates a part of the income, are divided into: a) Channel points, i.e. non-monetary currency that can

be exchanged for prizes in the stream, and is awarded to users according to the time spent on the platform; b) platform currency called "Bits" which is donated to streamers; and c) financial support, i.e. user donations as a sign of gratitude for the displayed content (Johnson, Wookcock, 2019; Partin, 2020; Duffy, Wisinger, 2017). Reaching a large and continuous user community that follows a certain channel is very difficult, so only some channels achieve it (Chan, Gray, 2020).

**Figure 1. Twitch platform revenue (2016-2024; $ mill.)**



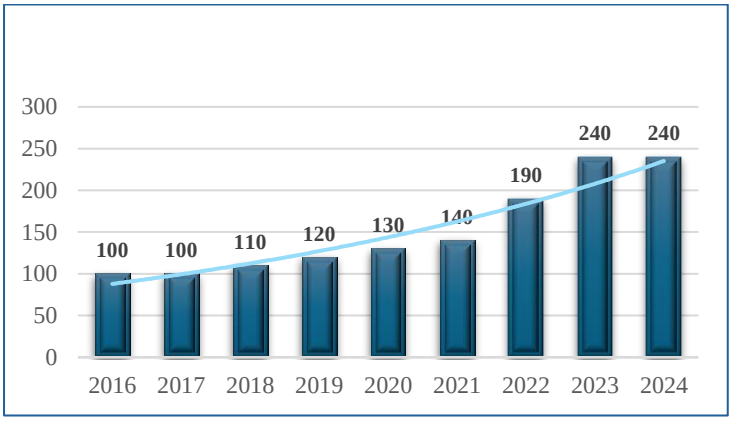

Source: Curry, 2026. (Own illustration)

In the analyzed period of nine years, the platform's revenue increased from $275 million in 2016 to $1.8 billion in 2024. In the period analyzed, revenue increased by 554.5%. Revenue grew degressively, with the highest revenue achieved in 2021, amounting to $2.05 billion. Revenue growth is explained by the trend equation y = -45.325x2 + 685.58x - 627.6, with a determination coefficient of 93.3% ($R^2$ = 0.9329). The direction coefficient of the equation is negative, indicating a decline in the platform's revenue, i.e. proving that revenue growth was degressive. In the last period analyzed, revenue decreased compared to the previous period. The revenue trend indicates reaching a saturation point in the existing monetization model. The research results are shown in Figure 1.

## 3.2. User's analysis

The primary audience on the platform is young adolescents and adult males. This user segment is analyzed by other platforms as one of the most difficult to reach audience segments (Pollak et al., 2021). The results of international research have shown that Twitch is used by 18% of respondents in the USA, Great Britain, France and Canada (Boulianne, Lee, 2022). In the selected analyzed period, the number of monthly active users increased from 100 million at the beginning of the period to 240 million at the end of the analyzed period. In the period analyzed, the number of users increased by 140%. In contrast to the revenue trend, which was degressive, the growth in the number of users was continuous. The results of the research are presented in Figure 2.

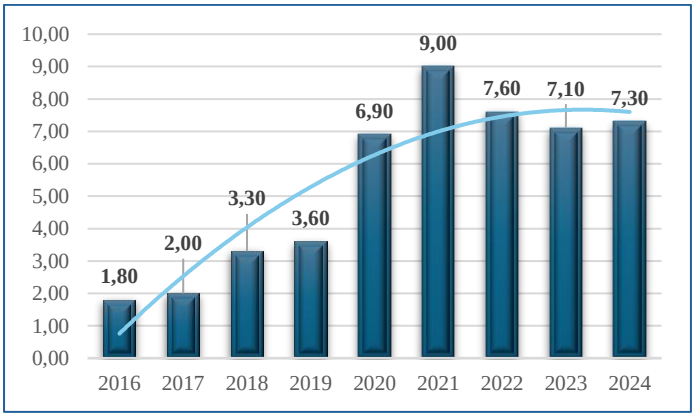
**Figure 2. Twitch active monthly users (mill.)**




Source: Mahajan, Pangarkar, 2026. (Own illustration)

The number of users grew continuously until the last period analyzed, in which the number of users remained the same as in the previous period. The increase in the number of users is explained by the exponential trend equation $y = 77.773e^{0.1229x}$, with a coefficient of determination of 92.9% ($R^2 = 0.9288$). The number of users grew at an average annual rate of 13.1%. (s=13.08). The number of active users has stabilized in the same way that revenues in the last three analyzed periods have stabilized around 1.90 billion dollars.

**Figure 3. Twitch monthly streamers (mill.)**




Source: Curry, 2026. (Own illustration)

The results of the analysis of the number of streamers are very similar to the results of the analysis of the platform's revenue. The number of streamers on the platform grew continuously until 2021, and then the number of streamers decreased. The total number of streamers on the platform increased from 1.80 million in 2016 to 7.30 million in 2024. The increase in the number of streamers in the analyzed period is 305.6%. As with the number of users, the largest number of streamers, namely 9 million, was in 2021, after which the number stabilized around 7.30 million. The number of streamers grew degressively and is explained by the regression equation of the trend y = -0.1308x2 + 2.1634x - 1.2738, with a determination coefficient of 83.7% ($R^2 = 0.8368$). The direction coefficient of the equation is negative, which proves the decrease in the value of the series in the last analyzed periods.

## 4. CONCLUSION

Twitch is the largest live streaming platform globally. Most of the live content is related to game broadcasts, but there are also other channels that have regular users. Unlike other classic media and modern platforms, Twitch has a real-time chat that serves to communicate between users who are on the platform. The paper analyzed the business results of the platform, and the research and analysis were based on two research questions.

In the context of the first research question, the research results proved the degressive growth of the platform's income, which indicates the saturation of income in the current billing model. Revenues grew continuously until the end of the Covid-19 pandemic, only to drop sharply after that and fluctuate around 1.9 billion dollars in the last three periods analyzed. Until the onset of the global pandemic, revenues grew exponentially, and the highest revenues were achieved in 2021, which proves that the Covid-19 pandemic had a strong and positive impact on the platform's revenue growth. In the last period analyzed, revenues fell below the level of revenues in the years of the pandemic.

In the context of the second research question, the research results proved an almost exponential growth in the number of users with a degressive growth in the number of streamers. The number of users has continuously grown, which means that not all users participate in generating income, that is, they use more channels that do not require a subscription. The number of users is the same in the last and penultimate periods, which indicates that the saturation point of the number of users has been reached in this business model. In contrast to the number of users, which continuously grew, the trend of the number of steamers in the analyzed period is like the trend of income. The number of streamers grew continuously until 2021, after which it fell sharply and stabilized in the last three periods analyzed around some mean value. The growth in the number of streamers is degressive, which means that existing streamers and channels have occupied existing niches and new content has a hard time finding its way to users. The trend in the number of streamers, along with the revenue trend, proves that the platform is moving towards the point of saturation in the existing business model.

The research results have undoubtedly proven the stable network effect of the platform. The number of platform users has been continuously growing while the number of streamers has slowly started to stabilize. The two-way network effect is still strong enough and the platform is stable. Revenues are falling slightly, but this is more a result of the saturation of the business model than the instability of the network effect. The platform has occupied a special niche within the media industry, which gives it a special competitive advantage over other platforms. It could almost be said that it has achieved a monopoly on live video game streaming and there is no serious competitor within the industry that would threaten its market potential. In addition, the platform is part of the Amazon ecosystem, namely its entertainment division, which ensures secure financial and logistical support for the platform.

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