

Twitch suffers massive security breach, raising questions about its market size

Article

The news: Twitch confirmed Wednesday it was the subject of a major data breach, per The Verge.

- An anonymous user posted a 125GB torrent to **4chan**, containing Twitch's source code, change log, internal security tools, creator payout information dating back to 2019, and news of **Amazon's** unreleased competitor to popular video game marketplace **Steam**, among other information.

Why it matters: The leaker's goal is allegedly to “foster more disruption and competition in the online video streaming space,” making Twitch and parent company **Amazon** the second major tech firm this week, after **Facebook**, to fall under scrutiny for its size and security flaws.

The bigger picture: Twitch has a powerful hold over live and games streaming in the US, and its competition has found it difficult to keep up so far.

- By 2025, we project that the number of Americans who are live video viewers will rise to 173.3 million. In comparison, 36.7 million Americans will be Twitch users by 2025. Much of Twitch's viewership is live, but users can also watch recorded videos of past live streams and other content.
- While game streaming competitors like **YouTube Gaming** and **Facebook Live** do exist, others like **Microsoft's Mixer** were unable to stake out their own space, despite signing major Twitch streamers like **Michael “Shroud” Grzesiek** and **Tyler “Ninja” Blevins** in million-dollar exclusivity deals—both have since returned to streaming on Twitch full-time.

More on this: Wednesday's breach also revealed the high earning potential for streamers on Twitch and the security risks creators, who increasingly **value stability**, are exposed to by their platforms.

- Twitch has been a major benefactor of the creator economy boom. The leak revealed **81 streamers** have been paid at least **\$1 million** by Twitch since 2019.
- The leak also revealed a major gender discrepancy among the highest-paid creators on the platform. Of the 25 highest-earning streamers, 24 are men. The highest-earning channel, **Critical Role**, which is a group of male and female voice actors who play tabletop games, is the only non-individual streamer in the top 25.

Why it's worth watching: Twitch's massive data breach could bring a magnifying glass to the security risks of the booming creator economy. More specifically, it could draw the attention of antitrust regulators.

- The combination of a large earning gap and significant privacy breach will likely lead to increased pressure on Twitch, especially from its own users who are no strangers to **organizing protests** against the platform.
- The leaker also titled the document “part one,” which, of course, means further leaks might be on the way.