

STRATEGIC  
SPOTLIGHT

# GETTING IN THE ESPORTS GAME

AUGUST 2019



**WAVEMAKER**  
MEDIA. CONTENT. TECHNOLOGY.

---

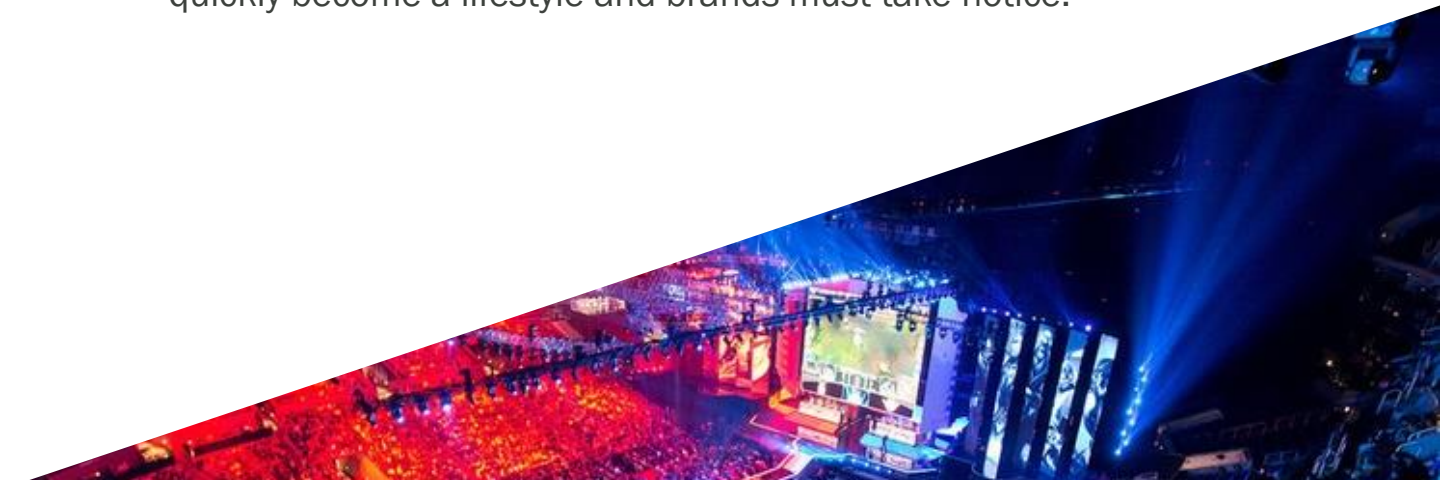
# WHAT IS ESPORTS?

Not only a sport,  
a lifestyle platform

**What used to be a niche hobby has turned into a global movement. The development, sophistication, and passion around the eSports industry has created a new platform and marketplace for brand marketers to reach elusive consumers.**

With the expansive growth and access brought on by digital, we've witnessed a rise in competitive and professional online gaming (eSports) – the fastest growing sport and cultural phenomenon in modern day.

A by-product of the explosive gaming industry, eSports has quickly become 'the sport' for a younger generation who consume content digitally and mobile-first. This coveted consumer craves the engagement and accessibility that gaming offers, with eSports reaping the benefits through an eco-system of sporting experiences, platforms and personalities closely resembling that of traditional sports. But don't be fooled by its name; the eSports industry has quickly become a lifestyle and brands must take notice.





---

# THE GROWTH OF ESPORTS

How did we get here?

**The growth of eSports should be no surprise as the foundation has been built for years to support its meteoritic rise.**

## **DIGITAL DISRUPTION**

Unlike other sports, eSports was built specifically for social media connectivity and a digital-first world

## **AUDIENCE BEHAVIORS**

eSports consumers, part of the 'cord-nevers' audience, have drastically different media consumption expectations and desires

## **EVOLUTION OF GAMING**

Increased engagement due to compelling storylines across game titles drive competition and playability

## **CULTURAL & SOCIETAL CHANGES**

A fundamental shift in how consumers participate, consume and view the sports and media landscape

**WE LIVE IN A DIGITAL  
CULTURE THAT MOST  
PEOPLE ACCEPT IS  
REDEFINING A  
WHOLE RANGE OF  
THINGS; SPORT IS  
ONE OF THEM.<sup>1</sup>**

**- International eSports  
Federation**

# ESPORTS BY THE NUMBERS

It is important to look closely at the numbers around eSports to understand the true opportunity and scale across specific game titles for both a domestic and global reach.

**201M**

Global eSports enthusiasts  
in 2019

**84M**

US eSports viewers  
(compared to 141M  
NFL fans and 79M  
MLB fans)

**1.62B**

Projected global eSports  
revenue for 2021

**ESPORTS\***

**11B**

Hours of eSports  
watched globally by  
2020

**1.1B**

Total eSports  
revenue in 2019

**70M**

People will watch an  
eSports final – more  
than the NHL, NBA and  
MLB

**\$96.50**

Average dollars spent  
by eSports fans on team  
apparel



---

# THE ESPORTS ECOSYSTEM

There are various players and pillars in the eSports landscape, each with specific advantages and unique opportunities for brands to leverage as part of an eSports strategy.

## PUBLISHERS



Publishers own the IP for game titles and control much, if not all, of the eSports ecosystem for each game

## TEAMS



Professional teams play competitively in various eSports leagues/events, with many franchises having eSports teams across multiple titles

## LEAGUES & TOURNAMENTS



eSports leagues, events and championships, feature top teams competing, of which are operated by publishers directly or third-party event operators

## MEDIA PROPERTIES



Media companies stream eSports content, report on the world of eSports or pay to broadcast events

---

# A RIPE MARKETING PLAY

## Reaching the unreachable

**The most coveted audience in the consumer marketplace, sports or otherwise, is also the hardest to reach.**

What shouldn't be news is how difficult it is to reach the most coveted consumer audience: Millennials and Gen Z. While every sports league and property is trying to grab that audiences' attention, many still struggle. That is precisely where eSports come in, as traditional sports, still built around a linear-first model, are losing the battle to reach younger fans. Leagues have been working hard to expand streaming capabilities, create OTT products, and even make changes to their game and brand to attract this hard to reach demographic. Conversely, eSports already has the coveted younger generation's attention and is expanding the popularity of the sport to broader and mainstream audiences.

The eSports industry has evolved significantly where there are now tangible brand opportunities of all shapes and sizes to reach and engage this consumer that are measurable and proven successful. Additionally, the ecosystem has evolved to be diverse enough, with many entry points, enabling marketers to test the eSports waters and develop customized activations and campaigns across multiple channels and tactics.

With recent structural enhancements and developments within the eSports environment, advertisers are effectively reaching and engaging audiences in ways that closely resemble the traditional sports infrastructure, albeit catered to and built specifically for a young, digitally native consumer's consumption habits and behaviors.

---

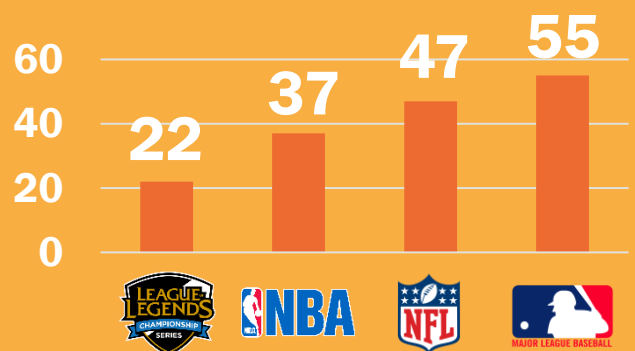
## FINDING THEM WHERE THEY LIVE

**73%**

OF THE ESPORTS AUDIENCE  
IS UNDER THE AGE OF<sup>4</sup>

**34**

### AVERAGE FAN AGE<sup>6</sup>



**61%**

OF THOSE WHO WATCH  
ESPORTS ON TWITCH  
DO NOT WATCH TV  
ON A WEEKLY BASIS<sup>7</sup>

**90%**

OF THOSE WHO WATCH  
ESPORTS ON TWITCH CAN  
NAME AT LEAST ONE  
NON-GAMING RELATED  
SPONSOR IN ESPORTS<sup>7</sup>



---

# UNDERSTANDING OUR AUDIENCE

## Tapping into the eSports lifestyle

**Much like any brand investment, activating in eSports requires a strategic plan and deep understanding of brand goals, objectives and target audience nuances.**

First, it's important to recognize the nuance of this vastly diverse eco-system. In fact, the term eSports refers to all forms of competitive gaming across all game titles, globally. For example, within eSports, there are different game titles, publishers, leagues, tournaments, media partners, etc. This is critical to understand as succeeding in this space means that marketers must focus on the alignment between brand, partner, title and audience.

Next, the key to breaking through with eSports consumers is realizing they like more than just eSports. Like all consumers, eSports is just one of their many hobbies and interests. They have jobs, participate in other social activities and maintain a broad range of passion points. For marketers to meaningfully reach an eSports fan, they must understand the importance of viewing the whole person first, and see beyond the gamer.

Lastly, eSports must be treated as a lifestyle and entertainment platform versus simply 'a sport'. With this in mind, the opportunity is greater to employ an activation strategy and subsequent eSports partnerships that allows a marketer to reach audiences by merging eSports interests with other lifestyle passions.

# IT'S GO TIME!

## Navigating the ecosystem

While it may look confusing to an outsider, the eSports world in fact closely resembles that of traditional sports with one important nuance – unlike traditional sports, where all opportunities start with the sport itself, in eSports the game title takes the lead. Once understood, this important distinction, makes brand partnerships and investments easier to navigate for those new to the space.

	ESPORTS	TRADITIONAL SPORTS
PUBLISHER	  	
GAMES	  	Baseball
COLLEGIATE LEAGUE	 	
SEMI-PRO LEAGUE		
PRO LEAGUE & TOURNAMENTS	   	
WORLD LEAGUE		 
PRO TEAMS	           	  
DISTRIBUTION PARTNERS	  	   
CONTENT PARTNERS	 	 

---

# HOW TO WIN

Like any partnership, there are multiple investment tiers that allow partners to test the waters and decide which path gives them the best access to their intended audiences.

## BE MORE THAN A BILLBOARD

Evolve eSports media partnerships into a broader sponsorship with selected teams and tournaments to build deeper levels of engagement and brand integrations across multiple touchpoints

## LEVERAGE A 360° VIEW

Activate a high-profile, integrated partnership with a top gaming publisher to gain access to the full value chain and leverage valuable IP to drive deep brand love and fan affinity

## ENHANCE USER EXPERIENCE

Show support for the eSports community and its fans by enhancing the gameplay, providing exclusive content or delivering authentic experiences to demonstrate the brand's added value

## DIVERSIFY

Employ a mutual fund approach to investments. With a high-level of unpredictability in eSports, due to shelf life and popularity of certain titles, consider diversifying your involvement to reach a broad spectrum of viewers.

---

# KEEPING UP WITH THE GAME

Getting involved in eSports is not as simple as raising your hand. Once you're engaged, staying educated and on top of these key areas is critical to remaining relevant and authentic.

## **DO YOUR HOMEWORK**

It's not a set it and forget it – keep abreast of the key titles to partner with based on audience alignment, risk appetite and global vs. domestic reach

## **KNOW THE CALENDAR**

Much like the NFL, MLB and NBA, different eSports leagues and tournaments have their own season and schedule. Brands should stay on top of the seasonal offerings and align based on needs and audiences.

## **TEST AND LEARN**

Get your feet wet with a small scale partnership that allows you to establish trust and credibility via both traditional media inventory and custom activity, and apply the insightful learnings to a broader relationship

## **UNDERSTAND AUDIENCE COMPLEXITIES**

Look out for the nuances – eSports fans are not all created equal so keep up with the different titles as each is its own 'sport' with diverse consumers, behaviors and structures

## **LEVERAGE MICRO-COMMUNITIES**

Go deeper with the many micro-networks of fans/followers that exist within the eSports ecosystem – these communities follow different games, players, & teams, each with a set of social circles and groups



---

## WATCH-OUTS

**The eSports landscape is still evolving and relatively young, so there are some inherent risks and challenges for brands to overcome and understand**

# 1

### **NO GOVERNING BODY**

Without a governing body that sits above all of eSports, each publisher operates on their own, resulting in an industry that can be fragmented with unpredictable shelf life for certain game titles

# 2

### **THE NUMBERS CAN BE MISLEADING**

While eSports numbers may be presented as mind-blowing in scale and reach, many times they are all-encompassing numbers that include all eSports titles and global metrics – making the data appear misleading and irrelevant to certain brands

# 3

### **GAMING VS. ESPORTS**

There is a difference between activating in gaming and being part of the eSports environment. Gaming refers to the broader/larger industry and eSports is the competitive silo of gaming, focused on the professional teams, events, players and leagues

---

# WHAT THE FUTURE HOLDS

Let's face it, eSports is here to stay. The groundwork for the landscape has been set and the pipeline for growth is well established. One of the key drivers that will lead that growth is the acceptance of eSports by casual fans, traditional sports entities, brand marketers and mainstream audiences outside of hardcore gamers.

Perception changes will continue to shift, showcasing eSports as a viable and sustainable platform. This will be fueled by dedicated eSports facilities being built, the Olympics considering eSports as an official sport and sports media companies like ESPN investing heavily in the broadcast of eSports events. As eSports continues to evolve, there will be increased structure to limit risks and uncertainties in the market, as publishers become more invested in the longevity and growth over the long term.

As we look towards the future, we'll see eSports become the next frontier for brands looking for fresh ways to seek connectivity with Gen Zs and Millennials. With eSports and gaming communities continuing to converge and support one another as a 'lifestyle platform' and eSports melding and merging together with traditional sports, brands and marketers will find themselves presented with an array of unique opportunities to drive growth for their brands.





#### SOURCES:

1. *Financial Times*, “[Esports: Is the gaming business ready to come of age?](#)”, Nov 2017
2. Newzoo, [Global Esports Market Report](#), 2019
3. Global Web Index, [Esports Trends Report](#), 2018
4. Syracuse University’s *Online Business Daily*, “[With Viewership and Revenue Booming, Esports Set to Compete with Traditional Sports](#)”, Jan 2019
5. Newzoo via Medium “[How Brands Can Tap into Esports Fandom: A Profile of Alliance, Envy, LGD, and NaVi Fans](#),” Dec 2018
6. Riot Games 2018/Statista, 2018
7. Nielsen eSports Playbook for Brands, 2019

#### MORE INFORMATION:

Dan Conti  
Partner, Director, Sports & Live  
[Daniel.conti@wmglobal.com](mailto:Daniel.conti@wmglobal.com)  
Wavemaker US

Serena Amster  
Manager, Sports & Live  
[Serena.amster@wmglobal.com](mailto:Serena.amster@wmglobal.com)  
Wavemaker US



**WM**  
**WAVEMAKER**  
MEDIA. CONTENT. TECHNOLOGY.