THE ESPORTS PLAYBOOK

Wining at eSports: for brands and marketers

eSPORTS GROUP

Blicx

Executive Summary

This report is the product of thoughts, work and insights from collaboration between Blicx Ltd. and eSports Group. It is meant to shed light on core tenets of the eSports experience – which are fundamental to competitive video games. The goal is to aid formation of clear strategy for branding and marketing in eSports. While it may be difficult to condense the entire eSports megatrend, we will dare to try.

The motivations for eSports participation – from content consumption patterns to reasons for engaging – hold huge implications for how to connect with its consumers. Understanding them is mandatory. Our intention is to outline a winning formula, backed by data, and independent of third-party influence, for connecting to eSports enthusiasts and fans.

The study included an 8 minute online survey among a global game panel of console and PC gamers with 1,125 completed responses. Results showed that 75% are very aware of eSports and 72% are interested/very interested in digital sport. Our analysis fashioned four must-have plays – centered on impactful data points – for brands and marketers interested in reaching eSports consumers.

ALEX FLETCHER
Managing Director, eSports Group

PHILIPP WAGNER
CEO and Founder, Blicx Ltd.
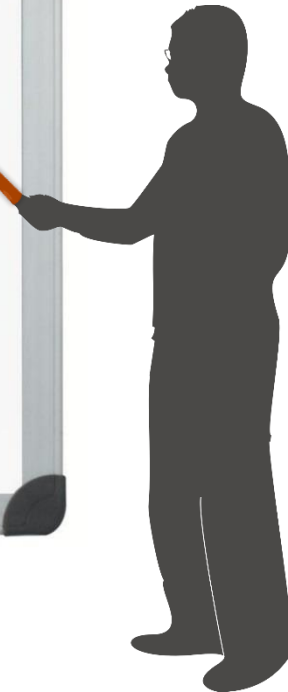
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PLAY NO 1

The Reach Model

Reality

- ✓ Passive entertainment does not resonate with Millennials
- ✓ Electronic sports are interactive entertainment
- ✓ New generation of hard-to-reach consumer is drawn to eSports
- ✓ Effective reach requires strategy

As video games continue to evolve from hobby to leading form of entertainment, consumer attention has also become a rare commodity. Into this picture, enters the eSports experience: A digital sport built atop popular video game ecosystems, it draws massive levels of attention from hard-to-reach audiences.
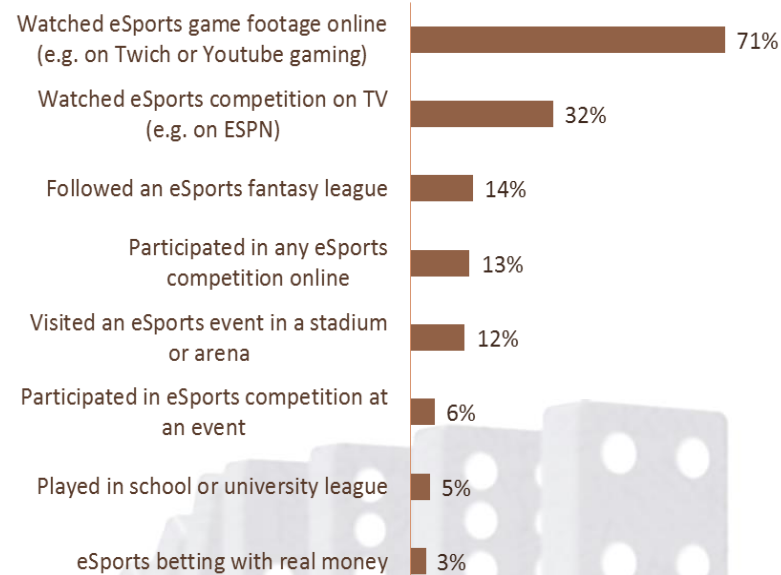
A generational shift – characterized by Millennials – has spurred the convergence of new forms of interaction and media consumption patterns.

Molded independently of mainstream influence has granted eSports a unique structure and culture – directly reflective of, not only the gaming world, but the wider tastes of a new generation of consumer. Therefore, effective reach among eSports audiences requires a nuanced approach.

Impact

- ✓ Online streaming is glue for the eSports experience
- ✓ Gaming-related content is massive pull for millennial minded audiences
- ✓ TV is "second screen" for eSports viewing
- ✓ Engaging digital natives begins online – video and live streaming

eSports behaviour (in%)

Behaviour	%
Watched eSports game footage online (e.g. on Twich or Youtube gaming)	71%
Watched eSports competition on TV (e.g. on ESPN)	32%
Followed an eSports fantasy league	14%
Participated in any eSports competition online	13%
Visited an eSports event in a stadium or arena	12%
Participated in eSports competition at an event	6%
Played in school or university league	5%
eSports betting with real money	3%

The glue for today's competitive video game experience is online video streaming, which enables unique pockets of enthusiasts to connect and interact – from playing together, to consuming an increasing array of gaming-related content.
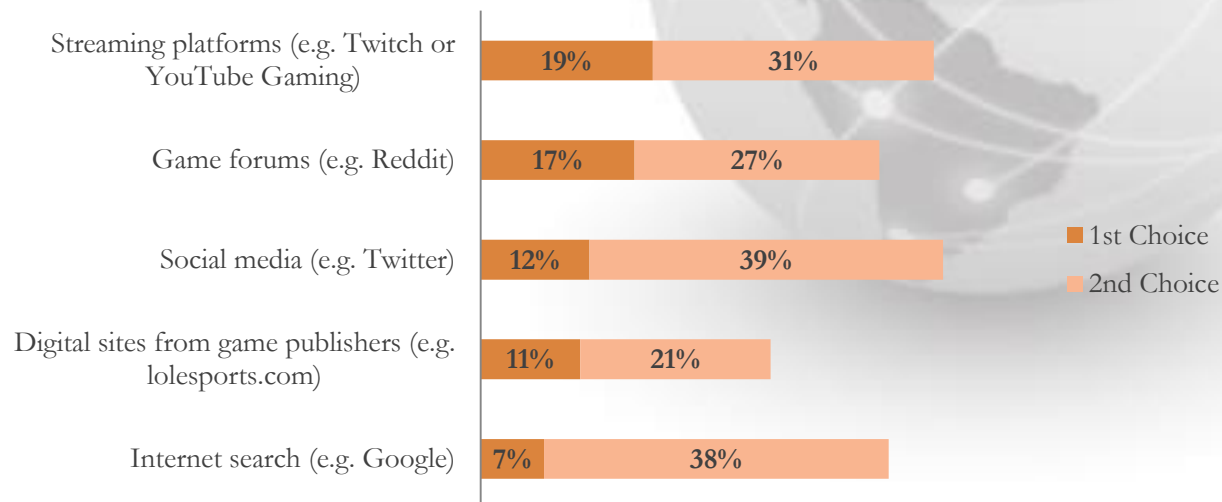
Despite recent moves towards more eSports content on TV, expect the 2:1 ratio between online and linear viewership to hold steady.

Limited by national and regional broadcast models, TV will remain the "second screen" for globally disparate eSports audiences. Brands and advertisers over-indexed on TV are missing the massive opportunity to reach digital natives – who favor online video and livestreaming.

Impact

- ✓ Competitive gaming content is globally accessible
- ✓ The eSports information journey is diverse
- ✓ Competitive gaming isn't just for specific age groups – it also attracts mature consumers

What is the most important source of information that you use to FIND OUT MORE about your favourite eSports game?

Source	1st Choice	2nd Choice
Streaming platforms (e.g. Twitch or YouTube Gaming)	19%	31%
Game forums (e.g. Reddit)	17%	27%
Social media (e.g. Twitter)	12%	39%
Digital sites from game publishers (e.g. lolesports.com)	11%	21%
Internet search (e.g. Google)	7%	38%

Emergence of the eSports megatrend is driven by global accessibility of its content. Untethered by regional and national boundaries, eSports is fast becoming the *future sport of choice* for a growing number across the world.
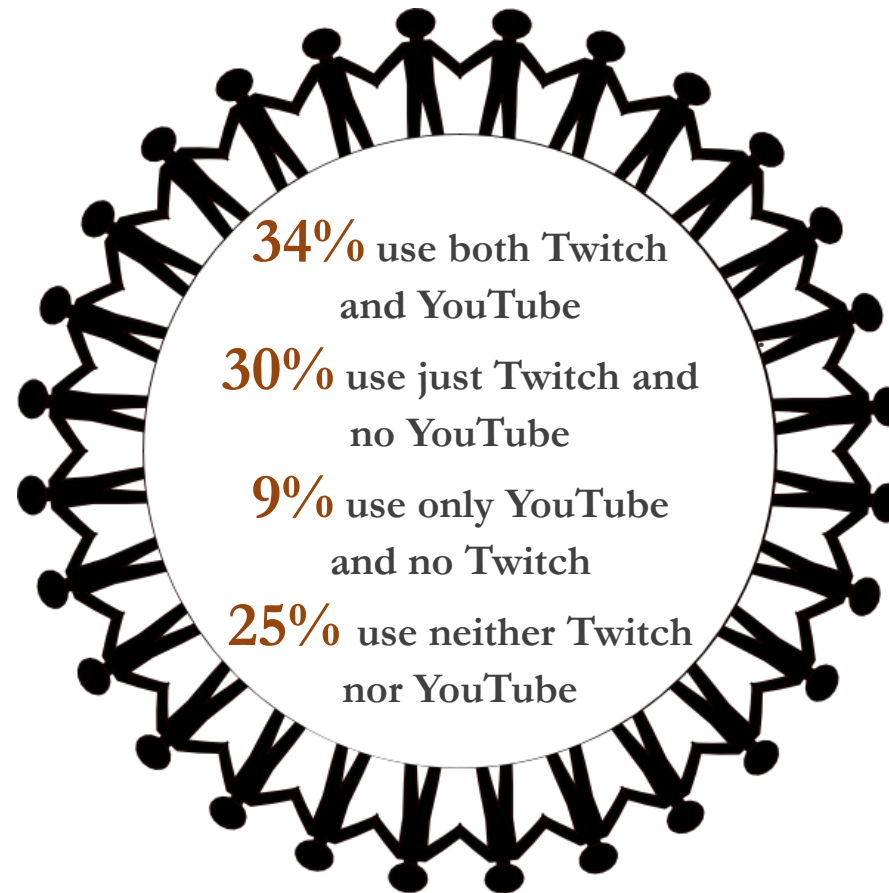
81% of those surveyed – in the *16 to 19 year old* age group – expressed a positive interest in eSports. The figure was 51% and 44% for the 20-29yr and 30+ groups, respectively.

For brands and marketers, eSports is a direct line to consumers progressing through formative years – where *lifelong brand preferences* are being established. Increasingly, it's also a platform for reaching more mature segments.

Best Practice

twitch

- ✓ Esports is primarily an online experience
- ✓ Twitch dominates live eSports broadcasts
- ✓ YouTube is home to live streams and "on-demand" content
- ✓ A sense of community brings content creators and viewers together

34% use both Twitch and YouTube

30% use just Twitch and no YouTube

9% use only YouTube and no Twitch

25% use neither Twitch nor YouTube

Online video content exerts an undeniable gravitational pull on eSports viewership. Twitch – for live broadcasts – and YouTube – typically used for video on demand (VOD) content – are two destinations brands cannot afford to ignore.

Twitch is home to both professionally produced eSports competitions and user generated content. In 2015, Twitch viewers watched an average of 421.6 minutes – amounting to over 459,000 years-worth of total consumed.

YouTube and several other broadcast platforms maintain mindshare amongst eSports enthusiasts. Still, with 100 million monthly visitors, Twitch is a critical tool in building an effective reach model for eSports-centric segments.

Best Practice

twitch

✓ Totino's "Live Free, Couch Hard" program featured interactive campaigns powered by Twitch

✓ The "Bucking Couch Bowl" took place on Super Bowl Sunday and allowed Viewers to control the content with chat commands

✓ Twitch Plays program helps brands to reach audiences meaningfully

As part of its "Live Free, Couch Hard" campaign, pizza rolls brand Totino's grabbed naming rights for a $50,000 *"Call of Duty"* eSports tournament on November 14th 2015 that averaged 30,000 live viewers throughout the six-hour broadcast.

The same campaign also included the *"Bucking Couch Bowl,"* a three-and-a-half hour gaming competition – on Super Bowl Sunday 2016.

The live broadcast featured popular streamers *iijeriichoii* (787,000 followers), *summit1g* (1,461,104 followers), and *Gold Glove* (1,141,863 followers) going head-to-head in a series of contests, all controlled by viewer chat commands.

Totino's campaign was a spin on the *"Twitch Plays"* program, which encourages advertisers to move beyond standard ad buys.

PLAY NO 2

Compete to Win

Reality

- ✓ Esports lifestyle is forged around competitive spirit
- ✓ Skill improvement inspires viewership
- ✓ More can dream of "going pro," than in traditional sports
- ✓ Today's video games are basically impossible to fully master

The massive popularity of eSports is driven by its role as a form of drama – capable of evoking emotion through the unpredictable creation of winners and losers – fashioned from the marriage of sport and gaming culture.

Competitive spirit is at the heart of eSports, where raw displays of skill and mastery will attract an estimated 292 million fans in 2016, according to Newzoo Research.
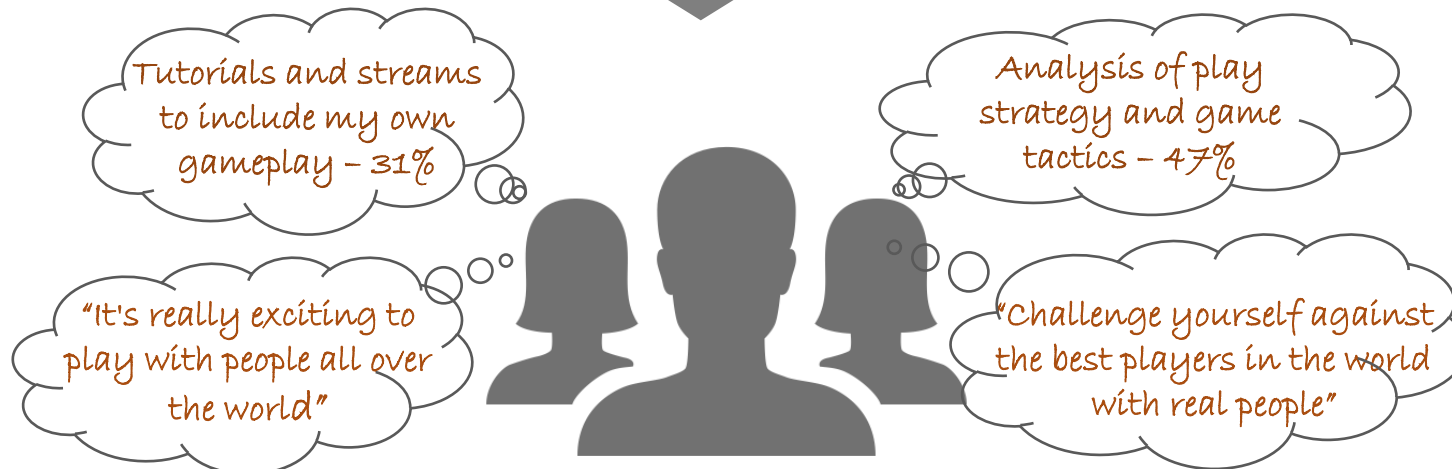
The prospect of not only "going pro," but becoming a better competitive gamer is encouraged by the nature of today's games.

Game developers have designed games like League of Legends, Defense of the Ancients (DoTA) 2, and Hearthstone with incredibly high skill caps – allowing players to sink thousands of hours into a game without ever "beating it."

Impact

- ✓ Digital competition enables global fan bases
- ✓ Line between player and viewer is blurred in eSports
- ✓ Watching video game competitions is key motivator to play more
- ✓ Massively connected competition is highly social and engaging

1 out 10 participated themselves in online or physical tournaments.

Tutorials and streams to include my own gameplay – 31%

Analysis of play strategy and game tactics – 47%

"It's really exciting to play with people all over the world"

"Challenge yourself against the best players in the world with real people"

"Millennials are putting video games at the center of their entertainment preferences, but it is a new kind of gaming that is more social, interactive and engaging."

-Neil Howe, 2015 Essential Facts about the Video Game Industry

The line between fan and competitive player is blurred in the world of eSports – and that's a good thing. Watching video game matches inspires interest in actually playing the game – a fact that game publishers know very well.

In between top professional matches, fans can and do engage in borderless competition on a 24/7 basis. Massively connected video game competition provides a social and interactive form of entertainment that is very attractive to Millennial minded groups.

Impact

Motivation

- ✓ Malcolm Gladwell's "10,000 hour rule" is still alive in eSports
- ✓ Players don't need expensive coaching and parental supervision to improve
- ✓ Motivation to master a video game is core to the psychology of eSports

How to improve my play?

44% SAY:
"Analysis of play strategy & game tactics are important."

Malcolm Gladwell's 10,000 hour rule is still very much alive in the world of competitive video games. Ease of access – players don't need expensive coaching or adult supervision to practice – only further adds to the allure of eSports among younger demographics.

Moreover, the motivation to master a game is core to the psychology of competitive play. Increasingly, players are willing to invest hundreds of hours into improving gameplay, often at the expense of other forms of entertainment like watching TV.

Best Practice

OVERWOLF — ENJOY WINNING

- ✓ The desire to improve as a gamer is powerful passion point in eSports
- ✓ Audience segment that watches gaming content to improve play is thriving
- ✓ Overwolf platform helps competitive gamers win more

OVERWOLF FEATURES

- Streaming & Video Capture
- Player & Team Stats
- Analytics Tools
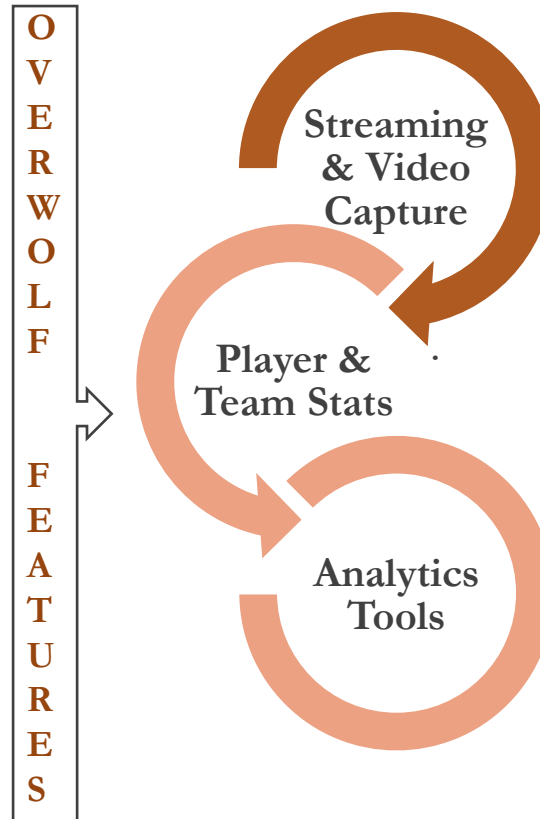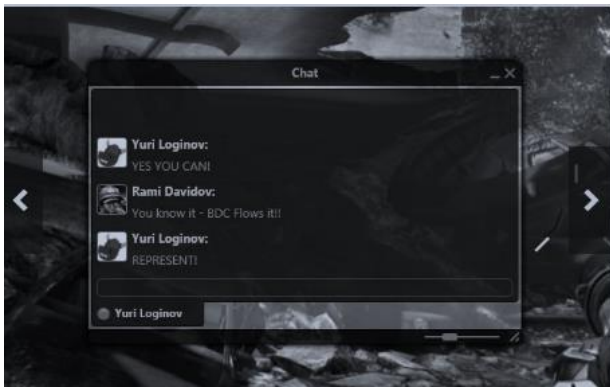
Brands and marketers must develop strategies to engage the healthy segment of eSports audiences who consume content, not only as passive spectators, but also to improve as gamers. These *"competitive spectators"* are a valuable market opportunity; a reality supported by a growing number of tools and products targeted at improving gameplay.

One such platform is Overwolf, which provides apps that literally run within PC games and help players win more. Millions of gamers in North America and Europe – normally extremely averse to third-party modules – use Overwolf apps for features which aren't natively built into the game, such as:

- **Streaming and video capture**
- **Player and team stats**
- **Analytics tools**

Best Practice

- Overwolf allows brands to engage target market in creative ways: video, brand take-over, etc.
- Estimated 50% of core gamers use ad blockers
- Overwolf's ad placement can't be blocked by ad blocking software
- 75% of Overwolf's audience is unreachable on Twitch.tv (comScore June 2016)
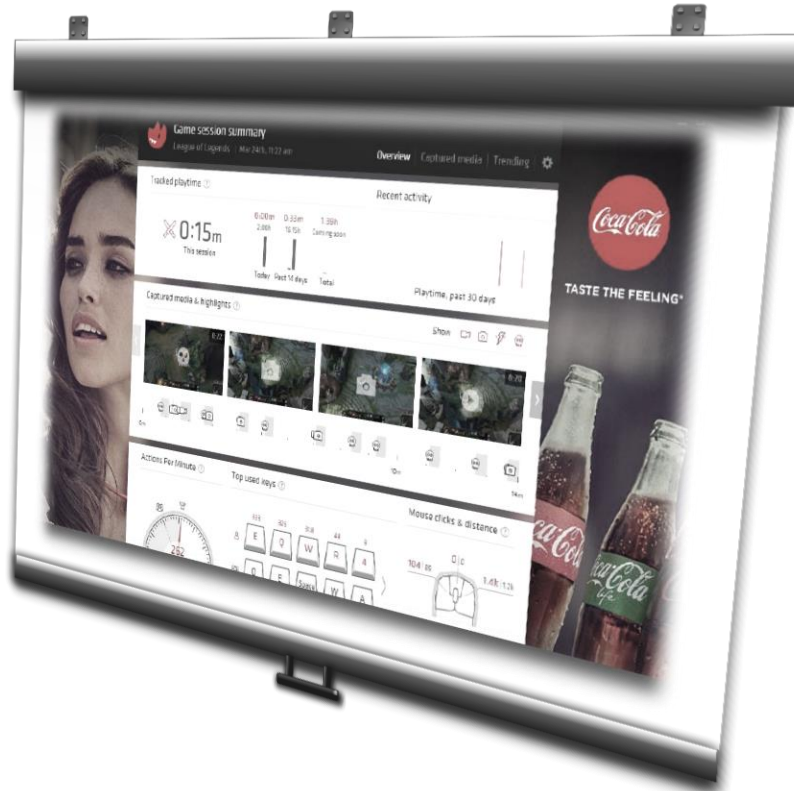
After every game, Overwolf loads a summary of the session, offering video highlights, performance, activity stats, and more. Brands can engage their target market in *creative ways*, including video and brand take-over, around this game summary content.

With an estimated 50% of core gamers using ad blockers, it is worth noting that Overwolf's ad placement *can't be blocked*.

Coupled with a reach of over *2 million daily* impressions, the platform provides brands with the chance to engage with an energized audience at the moment when bodily functions are at the highest levels due to adrenaline rush, intensity and high involvement.

Plus, according to June 2016 comScore data from Overwolf – 75% of its audience is *unreachable on Twitch.tv*.

PLAY NO 3

Passion Pays

Reality

- ✓ Passion drives eSports engagement
- ✓ Engagement measured in time and attention
- ✓ Brand investment is mandatory for effective messaging

The term passion is tossed about freely when describing the eSports experience. Passion is what attracts the time and attention from eSports audiences. To understand as much, leading emotive drivers must be highlighted.

Furthermore, key in overcoming the noted low tolerance for mainstream marketing messaging and tactics – native to these demographics – is brand investment directly into the cultural fabric. Succeeding interactions are then authentic, by default.

The end result is genuinely effective messaging that matches the emotional pitch, and tone of this highly passionate, worldwide community.

Impact

- ✓ ESports fandom and loyalty revolves heavily around video game titles
- ✓ Individual games should be viewed like different sports
- ✓ Experiences, not ads, resonate best with eSports audiences

Emotive Drivers (in%) eSports passion is connected to the…

25%

39%

57%

■ Pro-Gamer ■ Team ■ Game
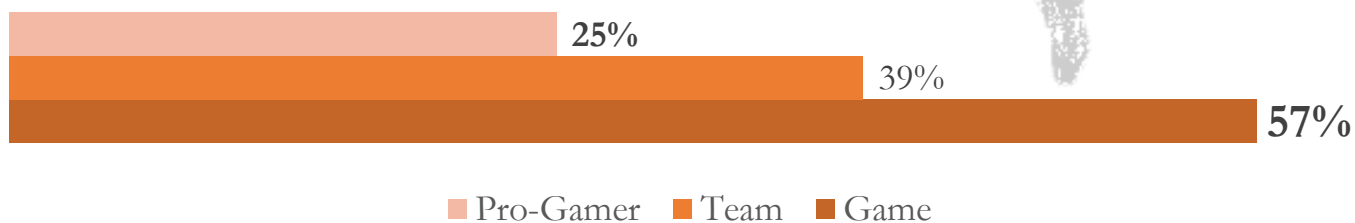
Esports fandom and loyalty are heavily tied to the *video game title being played*. This represents a challenge for advertisers and agencies – outside the gaming industry – attempting to navigate the landscape.

Especially those accustomed to the world of traditional sports, in which fan affiliation must flow to a select few multi-billion dollar leagues.

The solution: Leading game titles like Counter-Strike: Global Offensive, Defense of the Ancients (DoTA) 2, and League of Legends should be treated like individual sports with different triggers for fan passion.

The focus is creating experiences that tie into unique elements of *individual game communities*.

Impact

- ✓ Authenticity = proven value over time
- ✓ Millennial minded groups demand interaction in exchange for their attention
- ✓ Brand marketing must inspire the attention of target segment(s)

eSports Segments (in %)

eSports Passives
23%

eSports Engaged
49%

eSports Just Stream Watchers
27%
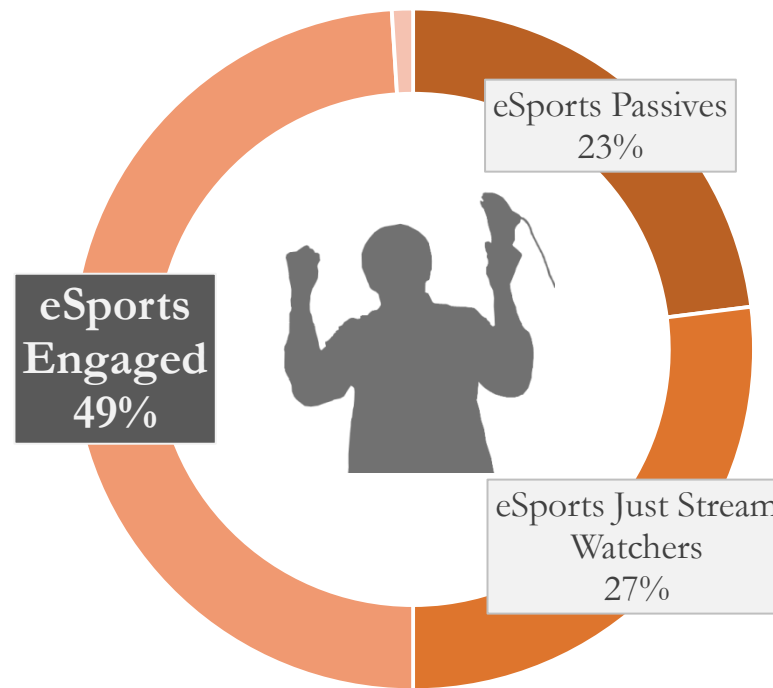
Effective consumer touch in eSports is achieved through an understanding of the deeper meaning of engagement. Knowing how the prevalence of *interactivity drives eSports enthusiasm* is the basis of stronger brand relationships.

Authenticity is earned through proven value over time. *There are no shortcuts*. Brands must merge into the fabric of eSports communities. Or risk being rejected for being purely promotional.

Formulating advertising, like pre-roll, falls short of reaching those who are most passionate – vocal segments that can make or break marketing investments in the space. Capturing attention and approval starts with *crafting experiences*, not ads, which ultimately inspire engagement.

Best Practice

ESSILOR

- ✓ Essilor leveraged partnership with competitive gaming club Fnatic to create immersive brand experience for fans
- ✓ Partnerships with clubs like Fnatic help brands navigate the eSports landscape
- ✓ Impactful brand communications aren't overly promotional

EYEZEN-CHALLENGE.COM
CHALLENGE REKKLES
PUT YOUR GAMER'S EYES TO THE TEST
POWERED BY EYEZEN™

FNATIC ESSILOR

Essilor, a world leader in ophthalmic optics, created the Eyezen Challenge in association with Fnatic, a leading competitive eSports organization, to launch its new Eyezen™ lenses. The campaign is an immersive digital experience in the form of an online game.

The Eyezen Challenge demonstrates key elements of impactful brand communications in eSports – starting by integrating former Fnatic coach Luis Sevilla and League of Legends star player, Martin 'Rekkles' Larsson. Additionally:

- Audiences are engaged as participants
- The challenge presents a clear purpose – compete & win against Rekkles
- Branding and messaging is smoothly weaved into the experience, as opposed to in an intrusive nature

PLAY NO 4

The Power of Gaming

Reality

- ✓ Gaming culture is forefather of eSports
- ✓ Competitive spirit in gaming helped forge the eSports megatrend
- ✓ Brands must understand and respect gaming culture

The eSports experience is drawn directly from the *wider gaming community*. Electronic sports represent a marriage of traditional sports ethos – the indomitable spirit of competition, sportsmanship, plus appreciation for skill – and the unwritten codes of gaming culture.

So while competitive video games maintain elements of major sports – teams, leagues, tournaments, etc. – *ties to gaming* are immutable.

Meaning, non-endemic brands are not just navigating a digital sport, but also a growing subset of the *global gaming community*, one which exists entirely independent of their involvement.

Impact

- ✓ ESports enthusiasm is broad
- ✓ Different game communities share cultural elements
- ✓ Authenticity in eSports requires understanding gaming-lifestyle elements

How many eSports games have you been following in the past 3 months, if any?

None specific game
16%

3 or more games
40%

1 game
25%
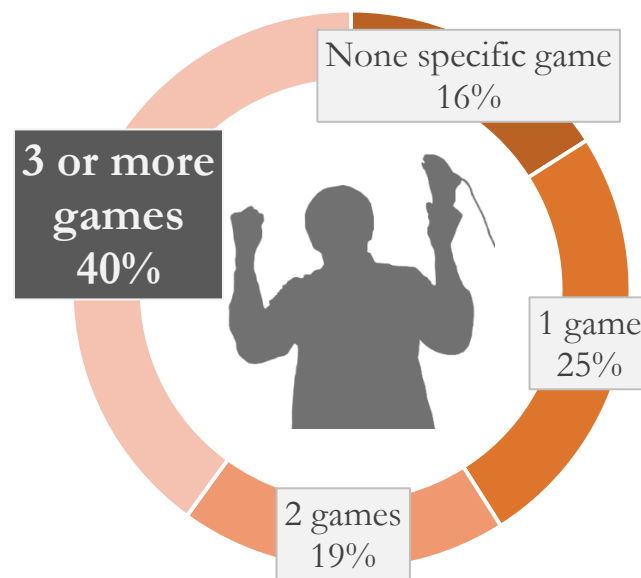
2 games
19%

Despite segmentation across different game titles, enthusiasm among eSports fans is broad, and driven by a general passion for gaming.

With 40% of those surveyed following three or more games, there is significant opportunity to borrow equity by keying on the commonalities across different game communities.

While every single video game is NOT an eSport, the gaming experience is a shared canvas that cuts across consoles, PC, and mobile games.

Brands must align with sentiments of the collective gaming-lifestyle to produce true authenticity in eSports.

Impact

- ✓ Gaming is source of strong sense of community and identity
- ✓ Connecting socially with other like-minded individuals is a key emotive driver
  - ✓ Competition at all levels connects gamers from across the world

35 % said expressing fanship and the wish to connect with likeminded gamers was important.

"We are all in this together, socially & relaxed."

Synonymous with wider gamer culture is a strong sense of identity and community. Similar to hobbyist outlets, eSports is a mode of *social expression* stemming from the desire to connect with other like-minded individuals.

Contrary to traditional sports, which depend on physical proximity, eSports enables *geographically disparate* bonds in the digital world – connections which can, and do, come to life offline.

It is competition that connects players, creates teams, and transforms lone spectators into communities of fans – who might otherwise remain isolated.

Best Practice

- ✓ Coca Cola has exhibited non-endemic brand leadership in eSports since 2013
- ✓ Coke activations span experiential and digital
- ✓ Coke demonstrated brand investment by hiring an eSports project manager in April 2016

Love Gaming? Love eSports? Love @CocaCola? Join the #CokeEsports Team! randstadusa.com/jobs/search/rp …

COCA-COLA IS HIRING
A NEW E-SPORTS PROJECT MANAGER

KNOW YOUR STUFF ABOUT E-SPORTS?

APPLY TODAY!

YOU

YOU — JOB LVL UP

WHO SAID PLAYING GAMES WOULD NEVER GET YOU A JOB?

RETWEETS 625 LIKES 1,500

4:22 PM - 19 Apr 2016

625   1.5K

Since entering the scene as a partner of Riot Games' League of Legends in 2013, Coca Cola has consistently expanded its eSports footprint.

A varied bunch of activations – some focused on eSports, others on general gaming – including: the League of Legends World Championship, FIFA Interactive World Cup, Coca-Cola Game-a-Thon and Coke eSports Cinema Viewing Parties.

By tying overarching gaming culture into its programs, the soft drink brand has grown brand recognition across a number of eSports segments. In April 2016, Coke took its commitment a step forward by hiring for an eSports project manager in April 2016.

Best Practice

Coca-Cola

- ✓ Coke was the #1 non-gaming brand associated with League of Legends (2015)
- ✓ Successful eSports strategy requires committed approach to gaming culture
- ✓ Consistent, cohesive involvement builds brand equity

According to internal Coke research, in 2015 – after one year of the partnership with Riot Games – Coca-Cola was the #1 non-video game brand associated with League of Legends.

An additional 70% of gamers believe Coke's brand sponsorship is positive, and 97% of gamers have either a positive or neutral response – all figures that demonstrate ROI maximization of marketing spend.

By syncing eSports campaigns with a consistent approach to gaming culture, Coke has been able to engender brand equity within a notoriously hard-to-penetrate community.
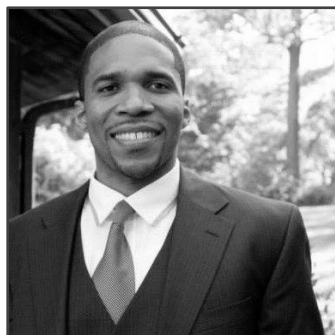
Conclusions

Study of the eSports experience has only just begun. The Esports Playbook is our humble attempt to provide an in-depth look at key motivators for competitive video game participants. Such that brands and marketers can better connect with eSports consumers in a meaningful manner.

We are firmly convinced that there are massive implications in the mainstream emergence of eSports. In that, rise of the eSports megatrend is a direct reflection of a new wave of consumer tastes. This shift is changing the way marketers build brands.

Therefore, brand success in eSports requires new approaches to understand its fans, and what matters to them. Most importantly it involves new ways of connecting with consumers emphasizing community and collaboration, over transactional commerce.
We hope our findings aid your eSports journey, and we encourage you to contact us.

About the Authors

ALEX FLETCHER

Managing Director, eSports Group

Having been involved with the eSports industry since 2012, Alex manages the advisory and consulting practice at eSports Group. He brings significant experience from multiple industries, categories and sectors. One of his passions is building new models for insight development that help clients form winning eSports strategies. He is driven by better understanding the market shifting factors behind the eSports megatrend.

afletcher@esportsgroup.net
@fletchunleashed

PHILIPP WAGNER

CEO and Founder, Blicx Ltd.

Since 2014 Blicx has conducted bespoke research in eSports. As research director of Blicx Philipp has experienced firsthand how the topic has moved an entire industry. It first was an experimental engagement of a few brand managers who wanted to know general attitudes towards competitive gaming, where it is now a strategic topic for senior management and product development. With a global panel of core video gamers, Blicx follows eSports at the very heart and provide insights for video game companies, media and non-endemic brands alike.

pwagner@blicx.com

Contact

Victoria House
86-90 Richmond Road
Kingston upon Thames
Surrey
UK
KT2 5EW
Tel : +44 788557 1966
www.blicx.com

815 Heron Drive
Silver Spring, MD 20901
USA
Tel: +01 301-660-5488
www.esportsgroup.net