

The Winter Esports approaching Valorant

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Valorant is a tactical five versus five first person shooter developed by Riot Games in which accurate gunplay goes hand in hand with unique agent abilities. As a video game, it has been rising in popularity as of late. The free to play model Riot implemented was one of the most deciding factors, due to content creators establishing the game as a service. Creators further boosted its popularity during the pandemic when everyone was inside, watching online video streams [1]. Ever since its beta release in 2020, the game has been experiencing rapid growth in terms of its game balance, audience, and esports. It competes with one of the, if not the most, popular first person shooters of all time, Counter Strike: Global Offensive.

However, Valorant has its own way of standing out. It makes its difference from Counter Strike by introducing individual agent abilities. As of writing, there are 22 diverse agents to play within the game, with five being unlocked immediately as you begin. This has allowed for a multitude of ways for the game to be played, showcasing its community's creativity and ability to innovate with what they were given. It is also considered to be one of the most globally acclaimed titles, as even CS:GO had a large skill disparity between Europe and the rest of the world. A study done in Indonesia showed high satisfaction correlating to the high quality of the game [1].

There are many issues with Valorant, of course. No game comes without its problems. At the highest ranks, streamers stream their game online for many to watch. Some viewers,

unfortunately, decide to watch these streams as they play against them to gain an unfair advantage through information. Hacking, although very rare, does occur from time to time. The most pressing issue, however, is related to the best way Riot can expand their game: Valorant Esports, otherwise known as the VCT (Valorant Champions Tour))

Firstly, an introduction to the issue at hand would be appropriate. The VCT circuit is a series of competitive regional tournaments that will allow the winners to qualify for the bi-annual international tournaments, VCT Masters, and the main annual event, VCT Champions. When Valorant started out, these regional tournaments were open qualifiers, meaning anyone with any team could participate in these qualifiers and earn the right to play internationally. These teams would then be dubbed international winners, and champions. However, in 2023, Riot decided to change the professional scene model Valorant would have.

At the end of 2022, Riot decided to switch to a franchising model for VCT. This meant that each region (Americas, EMEA, and Pacific) would have ten teams selected by Riot to represent their respective countries. These thirty teams were set in stone, and would be guaranteed a spot to play each year. This would become Tier 1, the highest level of Valorant.

Meanwhile, organizations and free agents that wanted to participate in Tier 1 would have to undergo another tournament, called Ascension. Each region would hold an Ascension tournament to find the best team, and the winner would “ascend” to Tier 1, where they are

guaranteed a spot for the next two years. In order to participate in Ascension, points from joining open qualifiers would have to be collected, and teams would have to work hard to be part of the franchised league.

Although this sounds like an excellent, soundproof business model on paper, too many internal and external factors caused massive issues with this system. Without any solutions to these issues, then despite being a massive success, one glaringly bleak future could come to fruition: Valorant's Esports scene may be burning out.

The first issue lies within the Tier 2 system. Unfortunately, there is a problem with funding within the circuit. In the most basic sense, there is no incentive to invest within this specific portion of the scene.

In March 2023, open qualifiers for Ascension within the respective regions were held, and they played until each region had its two representatives, in June. Then, July came, and three Ascension tournaments played out, one for the Americas League, one for the Pacific League, and one for the EMEA League. At the end of the month, three teams would ascend from Tier 2 into the franchised league.

The main issue lies in the remaining teams, however. For a great deal of many teams, June would be the end of their journey for the rest of the year. Organizations would have to pay their players salaries if they held onto them, and it makes no financial sense to keep paying these players from July until March of the following year, since their time playing professionally is over in that time

period. This has caused many organizations to cease operations in Valorant Tier 2 and as a result, less money is flowing through this economy. Tier 1 is important to maintain, of course, but it would not exist without Tier 2, and if it is neglected like this, then Valorant's esports venture may come to a cease soon.

As if the situation was not dire enough, comments made by the Global Head of Valorant Esports caused further controversy. The winner of the Americas 2023 Ascension League was The Guard, a North American organization. They were called a “Cinderella Team”, as in a team that won by a miracle, a team that was not expected to perform as well as they did [2]. However, many took that comment badly, as they believed that The Guard performed much better than some teams in the franchised league. Even Ludwig, a popular content creator and owner of an organization competing in Tier 2, made some comments regarding this. He mentioned a relegation system to demote those who did not perform well, and give the slots to more deserving teams that could perform what was expected at the highest level of the game [3]. Regardless of the good intentions of the social media post, the nature of how it was said did not resonate well with everyone.

So some surface level issues of Valorant's Tier 2 scene should mostly be clear. However, what about Valorant Tier 1? Surely, the franchised business model, which has hand selected teams for partnerships, would be much less problematic and controversial than Tier 2. Yet, this is not the case, as problems still arise in the franchised league regardless.

Valorant is still a relatively new esports, it did not have the time to develop a sound structure for salaries. This makes some form of sense, considering the massive boom esports has experienced the past few years. Due to the global pandemic of 2020, esports has exploded in popularity, especially since regular sports could not run. This has led to the aforementioned boom, even producing a projection of a \$908 million revenue in 2018 [4].

Then, Valorant released in 2020, right in the beginning of the pandemic, when everyone was at home. To investors, it seemed like a million dollar idea to invest. After all, Counter-Strike had been an insane success, and this game seemed like the next big thing. So, surely investing large amounts of money would be an excellent idea. While investing in such a scene was a great idea, it is probably that too much money was invested.

This applies to North American Valorant specifically, as they are the ones going through a rather rough patch in history at the moment. This problem can be traced back to the first ever Valorant offline international tournament, that is Masters Reykjavik in 2021.

Despite releasing in early 2020, due to the global pandemic, Reykjavik was the first international tournament. Sentinels, a North American organization, was going straight for the win with a flawless record. However, one of their players was under some heavy allegations, and was unable to participate. So, they brought in Tyson “TenZ” Ngo, an ex-professional player who was unable to make any waves in the online tournaments, to substitute for him. TenZ was under a contract with another organization, Cloud9, and so Sentinels had to buy him out. The money spent was well over a million, and this caused a player salary inflation within the Valorant scene.

At the time, it was seen as a necessary expense, and Valorant, as a rather new game, had an uncertain future of costs. So, teams were generous with their expenditure back then. However, the effects of that are being felt even now at the end of the 2023 season, where salaries are much too high to maintain a reliable business model. Investors are leaving as well, because Valorant's esports does not seem worth the effort for pouring their money in, as the chances of profit lessen by the day. As we enter the OFF//SEASON, which is a time where there are no "official" tournaments and players are being exchanged left and right, organizations are clearly trying to maintain a high quality team while living off Riot's stipends. This is an unfortunate consequence of the early inflation of salaries in Valorant.

Evil Geniuses is another terrible example of what not to do during the OFF//SEASON. Despite winning VCT Champions 2023, the organization offered an ultimatum to their players. Look for another team, or stay with them and take a pay cut. A team that proved they were the best in the world were forced to have to cut their salaries [5]. This was a tough decision, but some players did decide to move out.

However, there was another issue, and that was the player buyout. Since those players were contracted to Evil Geniuses, another organization willing to pick up the player had to pay a buyout to Evil Geniuses. It has been reported that offers of even a hundred thousand dollars were declined [6]. This showed nothing but a terrible future for Valorant.

This issue is prevalent even in traditional sports. Basketball, for example, is a very popular offender. There was a time where many considered the “dark age” of contracts, the reserve clause. Once a player is contracted into the club, they are essentially the property of the club, and this would be the same for life. The club would have a monopolistic control over this player, as there would be no incentive to pay a higher salary. [7]

The main issue requiring a solution quickly would be the treatment of Tier 2, since that would affect the salaries of Tier 1 through a domino effect. The most effective solution would be re-evaluating the franchising system, and the development of a relegation system, as mentioned. Limiting ascended teams to two years in the franchised league may be a decent idea, but already franchised teams that perform poorly should be heavily considered for relegation.

One franchised team, Detonation FocusMe from Japan performed extremely poorly, as they have not won a single tournament within the entire year, from LOCK//IN, an international tournament at the beginning of the year to celebrate the Franchised League, the Pacific League, and the Last Chance Qualifier, the last chance for non-qualified franchised teams to make it into Champions. DFM did not manage to win a single game, and so it was quite concerning. A relegation system should at least be put into consideration to ensure the high level of competition within Tier 1.

Secondly, create better incentives and a much more rigid schedule for Tier 2. No organization would want to pay their team a salary for eight months to do nothing, there is simply no good reason to do so. Thus, create a much more flexible schedule for teams to compete all year round,

and let Tier 2 teams into more events in the OFF//SEASON. Make Tier 2 much more competitive, rather than it becoming a desert for organizations to dry their capital.

Thirdly, more incentives for community involvement in Tier 2 would be another decent idea. At the moment, within the game's menu screen itself, all players can see the franchised teams and their players. Additionally, anytime an international tournament was being held, there would be posters advertising it throughout the maps within the game. Players, as they are playing the game, can see these posters and read them. As we are currently at the end of the Valorant 2023 season, the posters have the names of the Valorant Champions 2023 winners. This is an excellent way to engage players with the esports, even if they initially had no interest. Of course, being in the franchised league is what allows for these kinds of in-game exposure. If Riot were to try to implement something to advertise Tier 2 matches, it would surely draw much more attention.

For Tier 1 issues, the quickest solution would be salary caps, just like traditional sports. However, that will not be necessary. This is because the salaries are already adjusting automatically during this off period. All organizations are looking to ensure that their spending on salaries is much more regulated, after realizing how tight revenue will be after the new system.

One main solution may not come from Riot, and that is player unions. These unions, although existing, do not have a lot of power within the Valorant economy. Thus, their influence on organizations, especially those that are franchised, are incredibly limited.

A salary cap may be a solution that could be considered, but it is very theoretical, especially to a new game like Valorant, and like traditional sports, the limit may even truncate the organization's ability to build a high quality team [8], which would possibly impact their performance in the league.

Currently, an actual, direct solution may not be necessary. Riot needs not to implement any serious changes due to the automatic adjustments occurring. However, it would be great for Riot to be more directly involved with how these organizations act. Right now, the economy is actually correcting itself, letting organizations think more on how to ensure they remain profitable while still fielding a competitive team for the 2024 season. However, Riot needs to be more vocal with how these players are being treated in order to create a much better ecosystem for Valorant esports.

Overall, even as this essay is being written, solutions are being tested. Tier 2 organizations are merging with one another, or outright leaving, which increases the amount of free agents within the challenger leagues. Tier 1 players are looking left and right for the best offer they can get. An excellent example is Zellsis, a franchised player who used to play for Cloud 9. He decided to join the organization Sentinels as a substitute, as he believes that the organization would be the best

to build his brand. For players to also flourish within this winter, gaining more social presence would be the best way.

Whether the changes and adjustments will work is not something that one can simply calculate. It depends on the many external factors that affect the Valorant Esports economy, and personal decisions players and organizations alike will make from now on. As observers of the scene, we can only watch and see how everything rolls out.

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