

Marketing Analysis of eSports

Top Performers, Consumer Sentiment, and Market Trends

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Project Report Table of Contents

Executive Summary

Research Objective

Research Plan and Methodology

Data Findings

- What makes a successful gamer?
- What are the psychographic/demographic makeup of eSports viewers? What is the public's perception of eSports in general?
- Where should advertisers spend marketing dollars?

Conclusion

Recommendations

Executive Summary

- **The Problem:** There is an emerging market in eSports gaming that not only sees Year over Year (YoY) growth (13.8% in 2018), but untapped revenue in the \$Billions.
- **The Objective:** Analyze 3 target questions to illuminate who and where to advertise
 - 1) Who are the gamers (athletes)?
 - 2) Who are the spectators?
 - 3) Where should advertisers spend?
- **The Target Audience:** Advertisers that may align with eSports branding, looking to capitalize on a market with high/growing viewership
- **The Vision:** With participants identified, and the market laid out, it is our vision that Advertisers and Brand Ambassadors will be able to start making decisions on whether eSports is the right venue for their promotions, as well as what segments to be aware of or avoid.

Research Objective

A challenge in the eSports industry is its newness and its underexpansion. The barriers of entry are low in and for the most part the industry is making rules up on the fly. Since it is so new, there aren't proven ways to advertise and monetize things like in other sports. Our research is focused on helping businesses better understand the ever-evolving trends and opportunities by providing information through our objectives:

- Segmenting eSports top performers in order to give advertisers an idea of the demographic of top eSports performers which will allow them to target relevant viewship, ages, games, genres, tournaments, and countries
- Better marketing strategies for advertisers in the video game industry. Advertisers will know individual preferences and attitude towards eSports and will be able to develop their marketing in a more accessible way
- Analyzing the market share and trends of the eSports industry in order to provide a framework and demonstration of the vast growth and opportunity available in the eSports market. These insights will be valuable in the future as the industry continues to expand

Research Plan and Methodology

Question 1:

- **What makes a successful gamer?**
 - This analysis will allow us to explore popularity of gamers in the industry, and potential trends in competition.
 - Data Sources: Top 500 Highest Earners, Highest earners by age, Under 18 earners, Highest earners by country and Top players 2019
 - Analysis Method: Cluster analysis, K-means clustering of segments of top performers in eSports by age, country, prize money, genre, game

Question 2:

- **What are the psychographic/demographic makeup of eSports viewers? What is the public's perception of eSports in general?**
 - We will also look at eSports survey data to help identify the typical eSports viewer. This will help discover a target or emerging audience for advertisers.
 - Data Sources: Morning Consult Poll Data
 - Analysis Method: Segmentation

Question 3:

- **Where should advertisers spend marketing dollars?**
 - Explore these general eSports industry trends and market share for advertisers.
 - Data Sources: Top 100 tournaments, Largest team tournaments, Top 100 countries for 2019, Highest earners by country, Games with the most prize money, Highest earnings by age, Global eSports market revenue share 2019, and Worldwide eSports viewer numbers 2012-2022.
 - Analysis Method: Regression, Descriptive Statistics

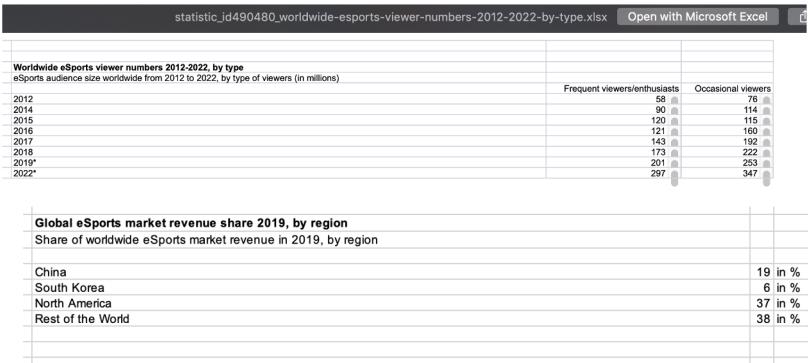
Sources of Data

Esportsearnings.com

Highest Earnings By Age					
	Age	Total Earnings	Count	Players	% of Total
1.	24 Years Old	\$45,033,300.14	1273 Players		
2.	23 Years Old	\$44,933,230.07	1723 Players		
3.	22 Years Old	\$44,833,230.07	1723 Players		
4.	23 Years Old	\$41,170,000.27	1502 Players		
5.	22 Years Old	\$39,911,479.58	1724 Players		
6.	22 Years Old	\$39,811,479.58	1724 Players		
7.	19 Years Old	\$25,116,072.64	1509 Players		
8.	22 Years Old	\$24,916,072.64	1509 Players		
9.	22 Years Old	\$17,333,444.08	871 Players		
10.	22 Years Old	\$17,333,444.08	871 Players		
11.	17 Years Old	\$16,947,241.70	964 Players		
12.	22 Years Old	\$16,947,241.70	964 Players		
13.	22 Years Old	\$16,443,407.82	2295 Players		
14.	22 Years Old	\$16,443,407.82	2295 Players		
15.	19 Years Old	\$14,949,173.01	2211 Players		
16.	19 Years Old	\$14,949,173.01	2211 Players		
17.	22 Years Old	\$14,830,830.49	1604 Players		
18.	22 Years Old	\$14,830,830.49	1604 Players		
19.	22 Years Old	\$14,733,444.08	871 Players		
20.	22 Years Old	\$14,733,444.08	871 Players		
21.	22 Years Old	\$12,777,749.18	971 Players		
22.	22 Years Old	\$12,777,749.18	971 Players		
23.	22 Years Old	\$12,777,749.18	971 Players		
24.	22 Years Old	\$7,934,047.08	1799 Players		

Top 100 Female Players					
	Player Name	Total Earnings	Highest Playing Channel	Total Earnings	% of Total
1.	Sophie Hotham	\$139,284.81	100.00%		
2.	Sammy Gosselin	\$129,400.00	100.00%		
3.	Rocky Dette	\$60,730.18	100.00%		
4.	Kayumi Chen	\$59,000.00	100.00%		
5.	Marijane Martell	\$58,000.00	100.00%		
6.	Leanne Thompson	\$57,900.00	100.00%		
7.	Severin Lee	\$50,000.00	100.00%		
8.	Sophie Hartnett	\$49,300.00	100.00%		
9.	Alana Lai	\$48,300.00	100.00%		
10.	Amber Tse	\$47,900.00	100.00%		
11.	Amber Tse	\$47,900.00	100.00%		
12.	Amber Tse	\$47,900.00	100.00%		
13.	Amber Tse	\$47,900.00	100.00%		
14.	Amber Tse	\$47,900.00	100.00%		
15.	Amber Tse	\$47,900.00	100.00%		
16.	Amber Tse	\$47,900.00	100.00%		
17.	Amber Tse	\$47,900.00	100.00%		
18.	Amber Tse	\$47,900.00	100.00%		
19.	Amber Tse	\$47,900.00	100.00%		
20.	Amber Tse	\$47,900.00	100.00%		
21.	Amber Tse	\$47,900.00	100.00%		
22.	Amber Tse	\$47,900.00	100.00%		
23.	Amber Tse	\$47,900.00	100.00%		
24.	Amber Tse	\$47,900.00	100.00%		

Statista.com



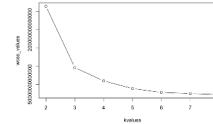
- Top data from Esportsearnings.com with Player, Prize and Game data
- Morning Consult eSports survey data that includes information regarding eSports viewership and awareness
- Statista data with information regarding Esports revenue breakdowns

Morning Consult eSports survey

Table CESFS: Do you consider eSports a sport?						
Demographic	Yes, this is definitely a sport	Yes, there are maybe a sport	No, this are probably not a	No, they are definitely not a sport	Don't know / No opinion	Total N
Adults	5% 120	15% 326	44% 994	34% 526	36% 835	2301
Gender: Male	8% 78	17% 177	24% 248	30% 310	21% 216	1030
Gender: Female	4% 42	13% 149	17% 196	18% 215	49% 569	1171
Age: 18-29	14% 55	20% 81	18% 72	15% 58	33% 131	397
Age: 30-44	9% 46	21% 103	19% 92	22% 109	29% 141	400
Age: 45-54	2% 9	15% 58	20% 84	25% 86	36% 123	401
Age: 55-64	2% 7	14% 43	20% 82	25% 123	36% 145	393
Age: 65+	1% 3	8% 31	23% 130	48% 244	51% 244	512
Generation: Z: 18-21	12% 16	22% 30	24% 31	13% 17	29% 39	132
Millennial: Age 22-37	13% 66	20% 105	18% 92	17% 90	33% 170	524
Generation X: Age 38-53	5% 27	17% 100	22% 131	27% 160	41% 136	821
Generation: Age 54-72	1% 10	10% 44	20% 163	22% 227	27% 106	707
PID: Dem/Ind Men	6% 3	19% 99	19% 107	24% 136	27% 126	502
PID: Dem/Ind (no lean)	6% 46	12% 52	38% 132	24% 177	40% 297	745
PID: Rep (no lean)	4% 31	13% 88	24% 165	28% 193	31% 213	690
PID/Gender: Dem Men	8% 26	19% 62	27% 90	28% 92	19% 65	335
PID/Gender: Dem Women	4% 17	19% 83	13% 58	15% 63	49% 211	432
PID/Gender: Ind Men	8% 28	18% 62	25% 101	25% 89	32% 135	352
PID/Gender: Ind Women	4% 18	9% 39	15% 61	19% 70	50% 208	372
PID/Gender: Rep Men	7% 23	15% 53	20% 77	14% 117	18% 62	343
PID/Gender: Rep Women	2% 8	10% 36	22% 78	22% 76	43% 150	347
Ideo: Liberal (L)	8% 52	18% 121	23% 149	19% 128	32% 211	660
Ideo: Moderate (M)	5% 30	16% 90	18% 98	27% 146	34% 185	550
Ideo: Conservative (S-L)	4% 29	11% 82	24% 176	29% 220	32% 239	746
Educ: < College	5% 67	14% 197	19% 263	20% 275	42% 582	1384
Educ: Bachelor's degree	6% 34	16% 83	25% 118	30% 155	25% 131	521
Educ: Post grad	7% 19	15% 46	20% 64	12% 95	24% 72	266

What Makes a Successful Gamer?: Top 500 Segments

- **Top 500 Earners** analyzed, k means of 3 found to be best based off elbow plot



Segments

Segment 1 ("middle of the pack")

- 422 players
- Rank range between 79 and 500
- Average prize money **\$415,091.10**
- Top genre is MOBA (40%) followed by FPS (31%)
- Top game is DOTA (21%) followed by Counter-Strike (17%)
- **Top country is USA (23%)** closely followed by Korea (19%)

Segment 2 ("best of the best")

- 11 players
- Rank range between 1 and 11
- Average prize money **\$5,072,176.50**
- All MOBA genre
- All play DOTA 2
- **Top country is Finland (33%)**

Segment 3 ("high-performers")

- 67 players
- Rank range between 12 and 78
- Average prize money **\$1,714,623.20**
- Top genre is MOBA (78%)
- Top game is DOTA 2 (76%)
- **Top country is China (39%)**

Most Frequent Player Profiles (Country, Genre, Game)

Country	Genre	Highest.Playing.Game	n
1 Korea, Republic of	Multiplayer Online Battle Arena	League of Legends	30
2 China	Multiplayer Online Battle Arena	Dota 2	27
3 Korea, Republic of	Strategy	StarCraft II	27
4 United States	Battle Royale	Fortnite	21
5 China	Multiplayer Online Battle Arena	League of Legends	11

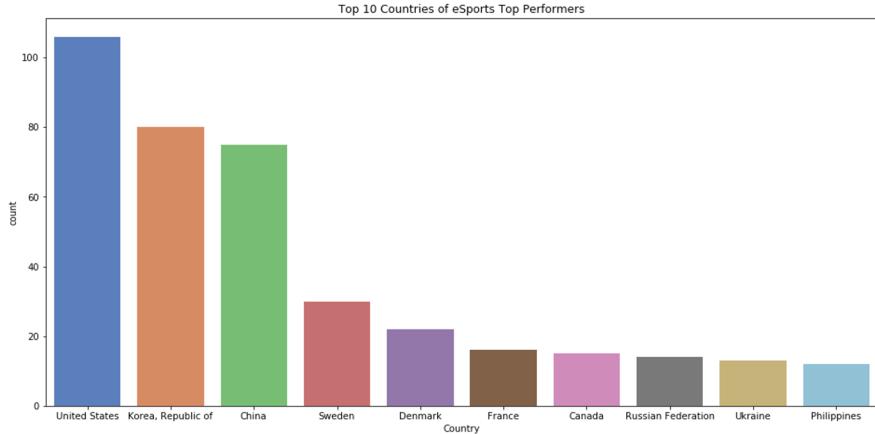
Country	Genre	Highest.Playing.Game	n
1 Finland	Multiplayer Online Battle Arena	Dota 2	3
2 Australia	Multiplayer Online Battle Arena	Dota 2	1
3 Bulgaria	Multiplayer Online Battle Arena	Dota 2	1
4 Denmark	Multiplayer Online Battle Arena	Dota 2	1
5 France	Multiplayer Online Battle Arena	Dota 2	1
6 Germany	Multiplayer Online Battle Arena	Dota 2	1
7 Jordan	Multiplayer Online Battle Arena	Dota 2	1
8 Lebanon	Multiplayer Online Battle Arena	Dota 2	1
9 Pakistan	Multiplayer Online Battle Arena	Dota 2	1

Country	Genre	Highest.Playing.Game	n
1 China	Multiplayer Online Battle Arena	Dota 2	26
2 Denmark	First-Person Shooter	Counter-Strike: Global Offensive	5
3 Russian Federation	Multiplayer Online Battle Arena	Dota 2	4
4 United States	Battle Royale	Fortnite	4
5 United States	Multiplayer Online Battle Arena	Dota 2	3

Insights

- Segment 1 best for USA
- Segment 2 best for Finland
- Segment 3 best for China
- Top overall performers doesn't necessarily indicate players are popular amongst viewers, more factors than just earnings need to be investigated too (social media presence/followers, personality, etc)

What Makes a Successful Gamer?: Country Stats



- Most of the top earners come from **USA** (18%), **Korea** (12%), and **China** (14%)
- Three of the top 11 earners are from Finland
- For the top 500 eSports earners, linear regression finds that the countries of **Australia**, **Finland**, and **Lebanon** are statistically significant in regards to prize money

(Intercept)
CountryAustralia
CountryFinland
CountryLebanon

	Estimate	Std. Error	t value	Pr(> t)
(Intercept)	808880	655088	1.235	0.21763
CountryAustralia	2290468	757414	3.024	0.00265 **
CountryFinland	1421806	624057	2.278	0.02322 *
CountryLebanon	2529376	907830	2.786	0.00558 **

What Makes a Successful Gamer?: Game Stats

- For the top 500 eSports earners, linear regression finds that the games **DOTA 2** and **Rainbow Six Siege** are statistically significant in regards to prize money



Insights

- 46.6% of game Genres are **Multiplayer Online Battle Arena (MOBA)** and 26.8% are **First-Person Shooter (FPS)**
 - These two genres represent a **73.4% share** of all 9 unique genres
- DOTA 2** comprises **30%** of top playing games
- After the top 5 games, there is a big drop-off percentage-wise with mostly under 2% represented per game

	Estimate	Std. Error	t value	Pr(> t)
(Intercept)	808880	655088	1.235	0.21763
Highest.Playing.GameRainbow Six Siege	-1072349	483561	-2.218	0.02713 *
Highest.Playing.GameDota 2	748171	329106	2.273	0.02352 *

Var1	Freq	Percent
Multiplayer Online Battle Arena	233	46.6
First-Person Shooter	134	26.8
Strategy	48	9.6
Battle Royale	47	9.4
Collectible Card Game	14	2.8
Fighting Game	12	2.4
Sports	7	1.4
Third-Person Shooter	3	0.6
Racing	2	0.4

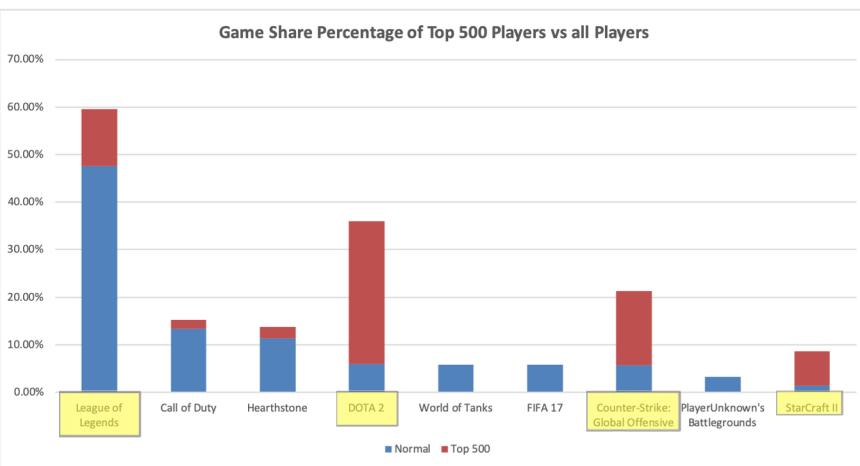
Var1	Freq	Percent
Dota 2	150	30.0
Counter-Strike: Global Offensive	78	15.6
League of Legends	60	12.0
Fortnite	47	9.4
StarCraft II	36	7.2
Hearthstone	12	2.4
SMITE	10	2.0
Call of Duty: Black Ops 4	9	1.8
Halo 5: Guardians	9	1.8
Call of Duty: Infinite Warfare	8	1.6

What Makes a Successful Gamer: Normal eSports Players vs Top Performers

Different trends between **all eSports players** and **top performers**

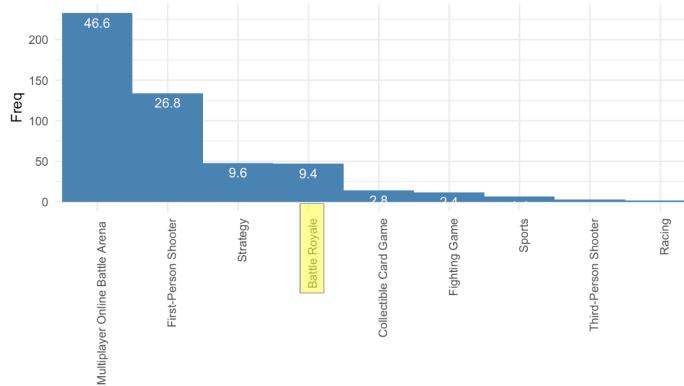
- 47.62% of eSports players worldwide play **League of Legends** compared to the 12% of top 500 eSports players
- Genres are very similar between the two groups with **MOBA** being dominant followed by **First-Person Shooters**
- **Battle Royale** is more popular with top performers and **Collectible Card Games** are more popular with normal eSports gamers

Game Breakdown

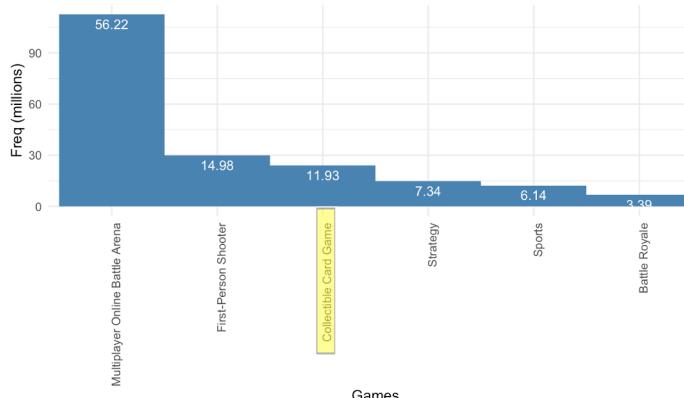


Genre Breakdown

Top Genres for Top 500 Earners



Top Genres for eSports Players Worldwide



What Makes a Successful Gamer?: Age Stats

- **Top ages** were clustered, k of 3 was determined by elbow plot

Segments

Segment 1 ("average-performing older earners")

- 33.6 years old average
- 35 players
- Rank range between 11 and 45
- \$1,048,725 average prize money

Segment 2 ("elite young earners")

- 22 years old average
- 5 players
- Rank range between 1 and 5
- \$43,384,003 average prize money

Segment 3 ("high-performing young earners")

- 23 years old average
- 5 players
- Rank range between 6 and 10
- \$24,895,228 average prize money

A	B	C	D	E	F
Rank	Age	Prize Money	Players	Average Prize Money	Cluster
1	24 Years Old	\$45,970,601.79	1224	\$37,557.68	2
2	22 Years Old	\$45,637,180.24	1724	\$26,471.68	2
3	21 Years Old	\$44,107,270.80	1874	\$23,536.43	2
4	23 Years Old	\$41,247,830.48	1502	\$27,461.94	2
5	20 Years Old	\$39,957,129.46	1936	\$20,639.01	2
6	19 Years Old	\$31,347,999.79	1767	\$17,740.80	3
7	25 Years Old	\$31,020,934.79	993	\$31,239.61	3
8	18 Years Old	\$23,293,374.98	1402	\$16,614.39	3
9	26 Years Old	\$21,171,548.09	766	\$27,639.10	3
10	27 Years Old	\$17,642,280.31	571	\$30,897.16	3

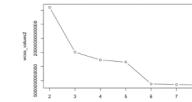
Insights

- The **top 5 player ages** are **20-24 years old**
 - The top 5 ages make almost double the prize money of the next top 5 ages (**\$43,384,003 vs \$24,895,228** average prize money)
- **Age 24** group is highest total prize money along with highest average winnings per player

cluster	meanage	minrank	maxrank	meanmoney	Players
1	33.6	11	45	1048725	35
2	22.0	1	5	43384003	5
3	23.0	6	10	24895228	5

What Makes a Successful Gamer?: Under 18 Segments

- Under 18 Earners analyzed, k means of 3 found to be best based off elbow plot



Segments

Segment 1 ("high-performing under 18 year olds")

- 7 players
- Rank range between 3 and 70
- \$1,736,481.10 average prize money
- \$322,906.95 average prize money before 18
- \$41,928.43 average earliest prize money
- 16 years old

Segment 2 ("middle-range under 18 year olds")

- 90 players
- Rank range between 5 and 100
- \$231,877.20 average prize money
- \$95,858.77 average prize money before 18
- \$41,139.88 average earliest prize money
- 15.39 years old

Segment 3 ("elite under 18 year olds")

- 3 players
- Rank range between 1 and 4
- \$4,217,868 average prize money
- \$2,023,079.26 average prize money before 18
- \$42,704.00 average earliest prize money
- 15.67 years old

Rank	Player ID	Player Name	Total (Before 18)	Earliest Prize	Age	Total (Overall)	% of Total	Cluster
1	Bugha	Kyle Giersdorf	\$3,062,966.67	3/24/19	16	\$3,062,966.67	100.00%	3
2	SumaiL	Sumail Hassan	\$2,401,531.54	1/6/15	15	\$3,590,225.34	66.89%	3
3	EpikWhale	Shane Cotton	\$1,297,366.67	4/14/19	16	\$1,297,366.67	100.00%	1
4	ana	Anathan Pham	\$604,739.58	7/3/16	16	\$6,000,411.96	10.08%	3
5	Mongraal	Kyle Jackson	\$567,454.23	11/23/18	14	\$567,454.23	100.00%	2
6	Monet	Du, Peng	\$556,080.91	7/8/16	16	\$772,143.53	72.02%	2
7	Zai	Ludwig WÄYhlberg	\$465,523.32	12/14/13	16	\$2,315,218.85	20.11%	1
8	Life	Lee, Seung Hyun	\$354,671.79	7/6/11	14	\$475,900.67	74.53%	2
9	BenjyFishy	Benjy David Fish	\$340,336.39	3/24/19	14	\$340,336.39	100.00%	2
10	Megga	Noam Ackenine	\$297,591.66	5/12/19	14	\$297,591.66	100.00%	2

Insights

- Segment 3 makes more than double the average prize money of the next highest segment, Segment 2
- The top 10 under 18 year olds make 41% of all under 18 year olds earnings (top-heavy)

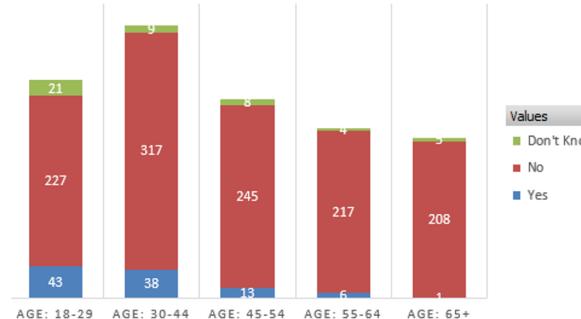
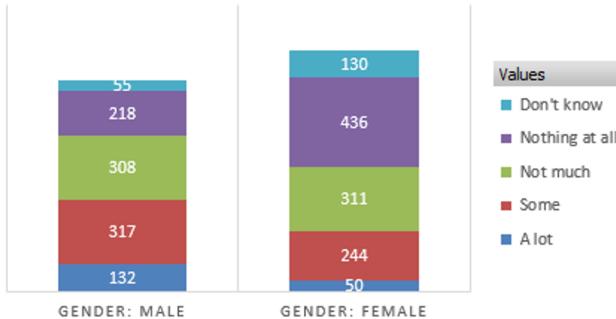
cluster	meanmoney	minrank	maxrank	meanbefore18money	EarliestPrize	meanAge	Players
1	1736481.1	3	70	322906.95	41928.43	16.00000	7
2	231877.2	5	100	95858.77	41139.88	15.38889	90
3	4217868.0	1	4	2023079.26	42704.00	15.66667	3

What is the makeup of an eSports viewers?: Gender/Age

- Using National Tracking data, we want to assemble traits for potential advertising campaigns.

Questions for Participants

- How much have you seen, read or heard about eSports and competitive video game tournament?
- Have you ever participated in an eSports competition?
- Have you ever watched an eSports competition on a streaming service?
- Do you consider eSports a sport?



Gender Insights

- Growing trend in new female gamers**, with most revenue growth potential
- 27% males had not heard or seen an eSports tournament**. Compared to Female participants with 48%
- Female gamers may be a segment worth investigating.

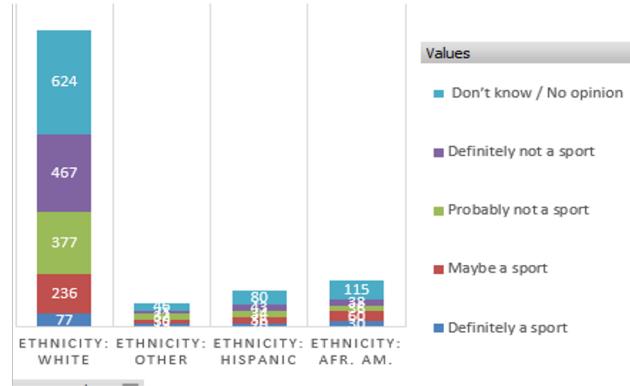
Age Insights

- Most active participants are 18-44 year olds** combining 25%
- 18-44 year olds also count for 77.5% who have watched eSports on streaming service. (18-29 yo are highest at 42%)
- 79% of the entire range group think that eSports is probably/ definitely not or don't know if it is a real sport**

What is the makeup of an eSports viewers?: Income/Ethnicity

Questions for Participants

- How much have you seen, read or heard about eSports and competitive video game tournament?
- Have you ever participated in an eSports competition?
- Have you ever watched an eSports competition on a streaming service?
- Do you consider eSports a sport?



Income Insights

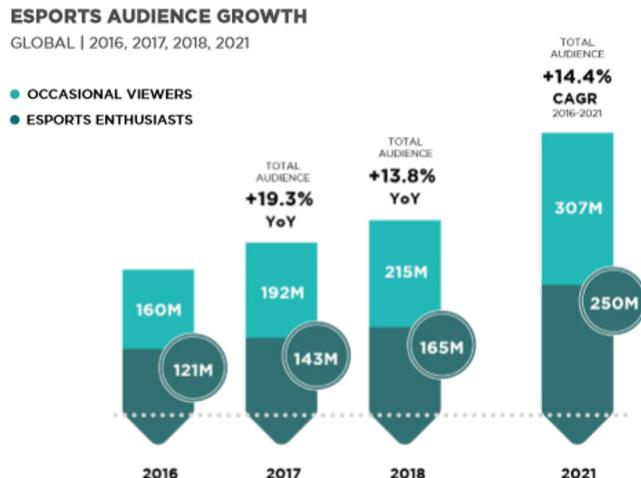
- Similar trends for those who have **watched an eSports competition (Some or A lot)**
 - Under 50k @ 27%
 - 50k-100k @ 24%
 - 100k + @ 24%
- **Larger deficit in those that said “No” to having watched an eSports competition**
 - Under 50k @ 67%
 - 50k-100k @ 74%
 - 100k + @ 74%

Ethnicity Insights

- **Sum of those that are unsure if eSports is a real sport.** (probably/ definitely not or don't know):
 - White 82%
 - Hispanic 74%
 - African American 68%
- **Potential Bias.** Of those **1,501 participants** surveyed by Ethnicity
 - **White 1,071 (71%)**
 - **Hispanic 140 (9%)**
 - **African American 187 (12%)**
 - **Other 103 (7%)**

What is the makeup of an eSports viewers?:

- What is the typical eSports viewer?
 - Male
 - 18-29 years old
 - Under 50k
 - Higher percentages of Hispanic and African American participation (viewing and competing)
 - With high opportunity for growth



- Steady YOY audience growth
 - 13.8% Growth in 2018
 - 23 Million new Occasional Viewers
 - 22 Million new eSports Enthusiasts
 - CAGR (Compound Annual Growth) of 14.4% from 2016-2021
 - Occasional viewers projected to surpass half a billion viewers
 - Current worldwide awareness 1.6 billion in 2018
 - Growing in emerging regions like Latin America, Middle East and Africa.

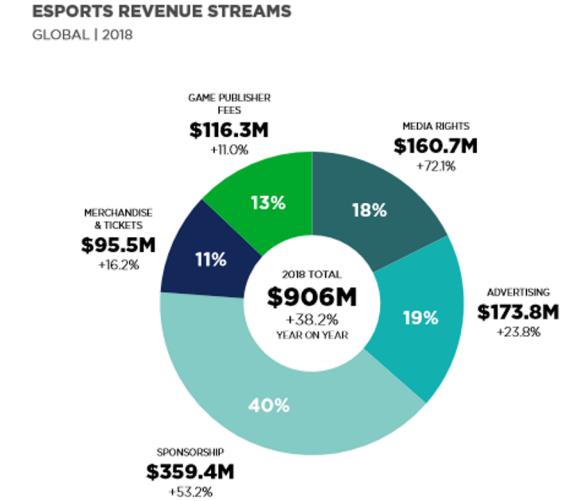
*Newzoo Free 2018 Global eSports Market Report

What is the makeup of an eSports viewers?:

- Viewing behaviors
 - Top 5 eSports games watched on Twitch 2017
 - League of Legends, Counter-Strike, Dota 2, Hearthstone, and Overwatch
 - Over 950 Million Hours watched

GAME	HOURS WATCHED
LEAGUE OF LEGENDS	274.7M
COUNTER-STRIKE: GLOBAL OFFENSIVE	232.9M
DOTA 2	227.9M
HEARTHSTONE	76.9M
OVERWATCH	25.2M
STARCRAFT II	21.2M
HEROES OF THE STORM	19.6M
ROCKET LEAGUE	17.3M
STREET FIGHTER V	11.5M
SMITE	10.7M
SUPER SMASH BROS. MELEE	9.8M
SUPER SMASH BROS. FOR WII U	7.0M
WORLD OF TANKS	5.2M
TOM CLANCY'S RAINBOW SIX SIEGE	4.7M
WORLD OF WARCRAFT	4.7M
PLAYERUNKNOWN'S BATTLEGROUNDS	4.5M
CALL OF DUTY: INFINITE WARFARE	3.7M
HALO 5: GUARDIANS	2.5M
CALL OF DUTY: WWII	1.8M
VAINGLORY	1.6M
HIZI	1.6M
INJUSTICE 2	1.5M
CLASH ROYALE	1.5M
FIFA 17	1.3M
TOTAL TOP 25	989.5M

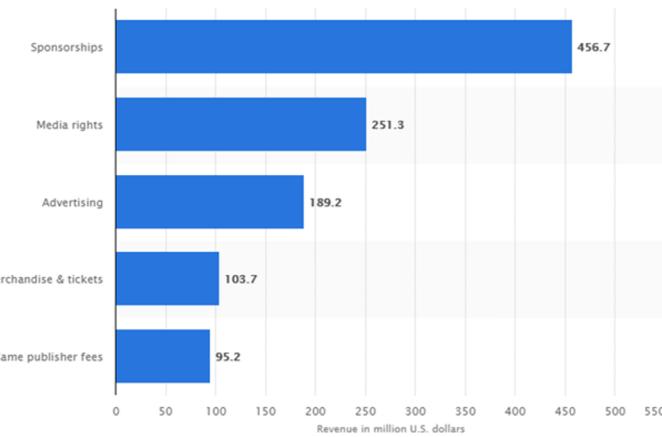
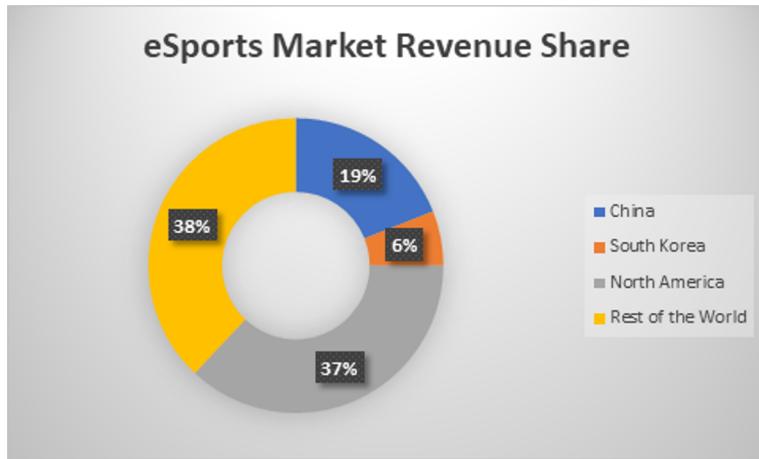
- eSports in 2018 generated \$906 Million in revenue
 - 38.2% YOY Growth
 - 40% comes from sponsorship
 - 23.8% comes from advertising



*Newzoo Free 2018 Global eSports Market Report

Where should advertisers spend marketing dollars?: Country

- Currently, North America has the largest market revenue share for eSports.
 - This revenue share includes sponsorships, media rights, advertising, merchandise & tickets, and game publisher fees



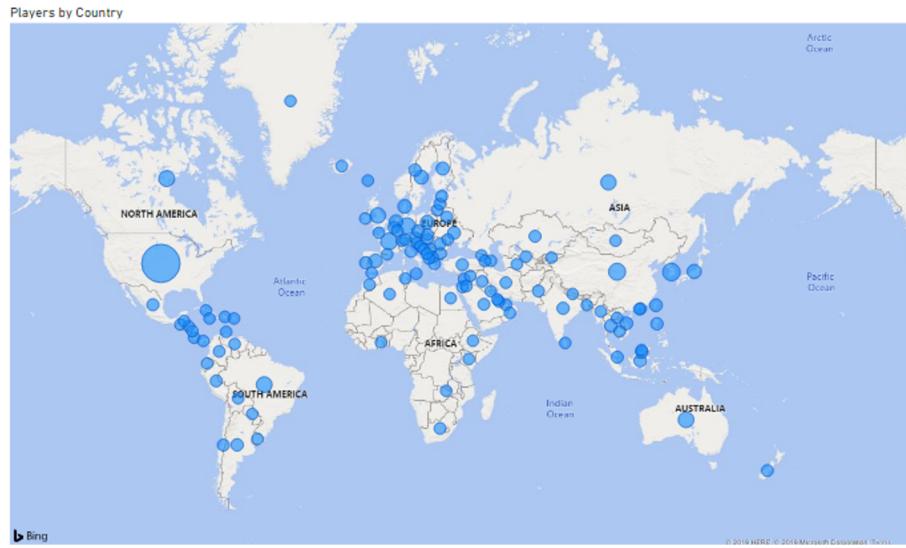
*statista global revenue of eSports market
2019,by segment

Where should advertisers spend marketing dollars?: Country

- The United States, Korea, Chrina, and France ranked in the top 5 in both total amount of prize money and total number of players

Rank	Country	Prize Money	Players
1	United States	\$35,773,213.48	4431
3	Korea, Republic of	\$11,342,979.12	1000
2	China	\$14,257,252.94	917
5	France	\$8,390,669.83	894
11	Germany	\$4,663,031.87	816

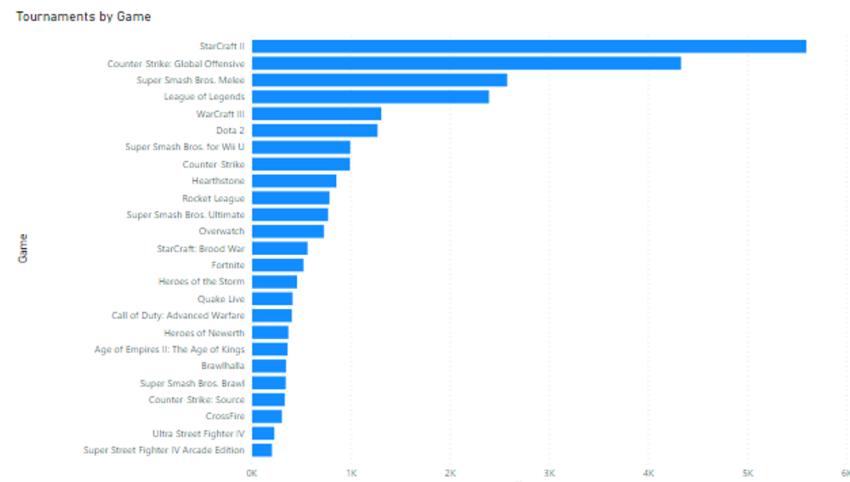
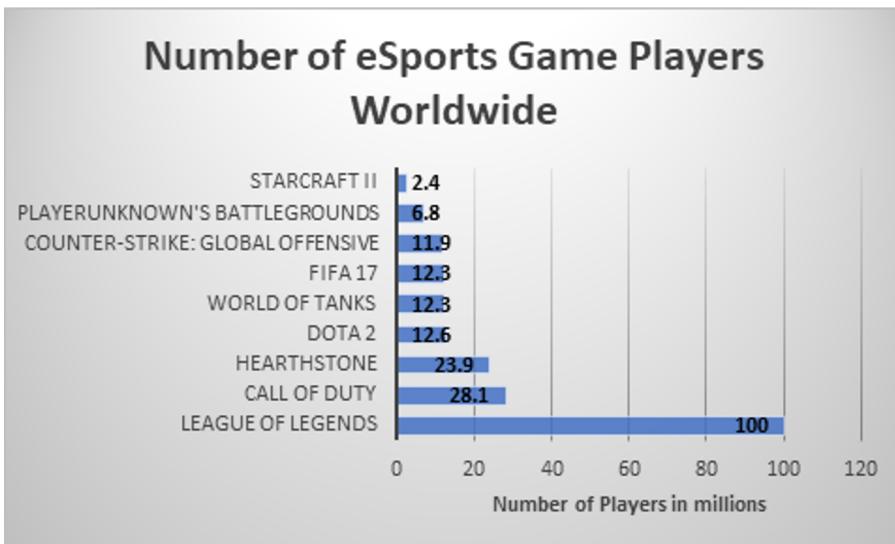
Rank	Country	Prize Money	Players
1	United States	\$35,773,213.48	4431
2	China	\$14,257,252.94	917
3	Korea, Republic of	\$11,342,979.12	1000
4	Finland	\$9,028,443.33	277
5	France	\$8,390,669.83	894



- Although the United States ranks 1 in the number of players, there is a large concentration of players in the European countries

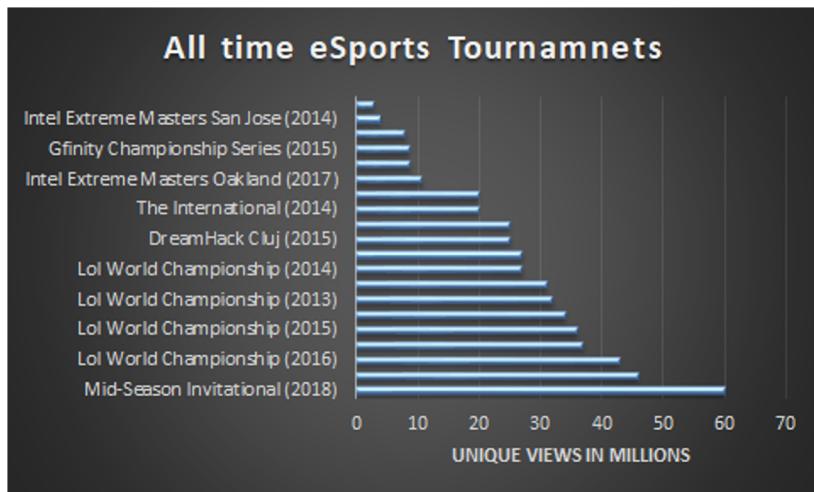
Where should advertisers spend marketing dollars?: Platforms/Games

- According to SuperData Research, League of Legends was the most played eSports game of 2017.
- In 2019, League of Legends ranked 4th highest game played at tournaments sorted by prize money
- Starcraft II ranked 5th in overall prize money but 1st in total tournaments



Where should advertisers spend marketing dollars?: Tournaments

- 70% of the all-time most viewed tournaments were either exclusively or partly League of Legends tournaments
- Over the past 3 years, League of Legends tournament popularity has decreased slightly (ranked 9th and 10th in top tournaments).
- While League of Legends tournaments have decrease, Dota 2 and Fortnite tournaments have increasingly popular



Rank	Tournament	Prize Money	Teams	Players
1	The International 2019	\$34,330,069.00	18	90
2	The International 2018	\$25,532,177.00	18	90
3	The International 2017	\$24,687,919.00	18	90
4	The International 2016	\$20,770,460.00	16	80
5	The International 2015	\$18,429,613.05	16	80
6	Fortnite World Cup Finals 2019 - Solo	\$15,287,500.00	0	100
7	Fortnite World Cup Finals 2019 - Duo	\$15,100,000.00	50	100
8	The International 2014	\$10,931,103.00	14	70
9	LoL 2018 World Championship	\$6,450,000.00	24	130
10	LoL 2016 World Championship	\$5,070,000.00	16	86

Where should advertisers spend marketing dollars?: Regression Results

Tourney Rank Regression

- After running regression on tournament rankings, the adjusted r square is low and the p-value for number of teams is high.
This tells us that a tournament ranking by prize money isn't related to the number of teams or players

Regression Statistics	
Multiple R	0.33012
R Square	0.108979
Adjusted R Square	0.090608
Standard Error	27.66596
Observations	100

	Coefficient	standard Err	t Stat	P-value
Intercept	67.04573	5.728077	11.70475	2.96E-20
Teams	-0.41216	0.3225	-1.27802	0.204291
Players	-0.14373	0.056915	-2.52531	0.013181

Game Rank Regression

- Similar to tournament rankings, the game ranking based on prize money also had a low adjusted r square, although it was slightly higher than the tournament rank results.

Regression Statistics	
Multiple R	0.487695
R Square	0.237846
Adjusted R Square	0.222132
Standard Error	25.58722
Observations	100

	Coefficient	standard Err	t Stat	P-value
Intercept	56.96655	2.815798	20.23105	1.4E-36
Players	-0.00699	0.002404	-2.9081	0.004508
Tournaments	-0.0055	0.004621	-1.19087	0.236611

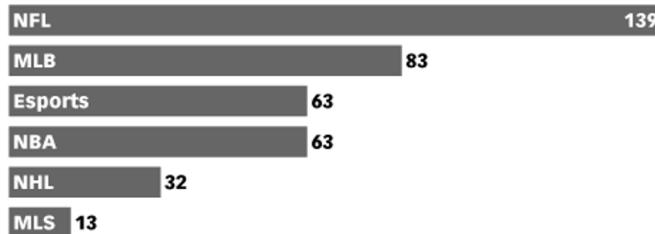
Conclusion: eSports is an Explosive Business Sector

eSports Viewership keeps on growing

- Both frequent and occasional viewers numbers have been growing each year
- Same viewership as NBA now

US Sports Viewers, by League, 2018

millions

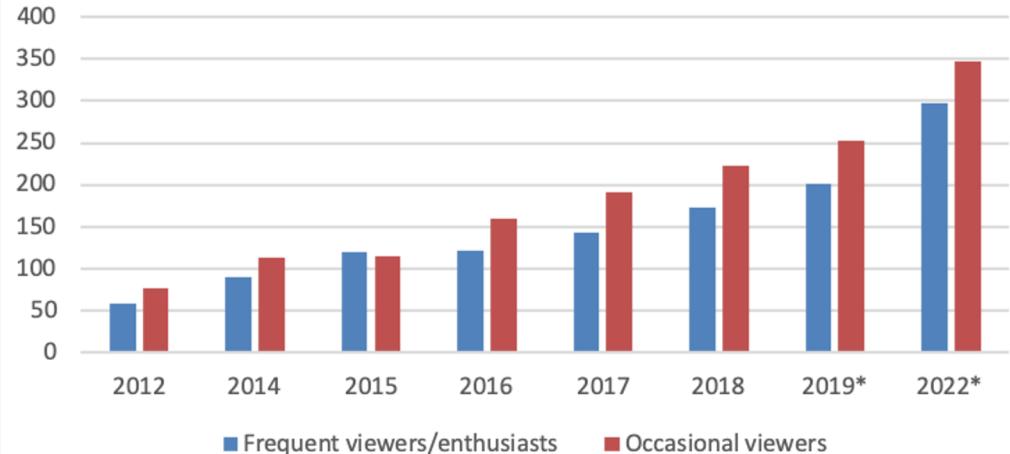


Source: Activate Inc., "Tech & Media Outlook 2019," Nov 13, 2018

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www.emarketer.com

Worldwide eSports viewer numbers 2012-2022,
by types of viewers (in millions)



■ Frequent viewers/enthusiasts

■ Occasional viewers

eSports Continues to Become more Legitimate Worldwide

eSports is becoming more and more legitimate around the world as it continues to overcome the preconceived notions of games not being deemed a real sport

- Attitudes are changing towards video games
- **eSports players are becoming athletes** for tax purposes, one of more recent countries was Finland, home of three of the top 11 eSports top performers
- eSports has its own section on **ESPN** (ESPN broadcasts tournaments as well)
- eSports is in consideration for being in future **Olympics**

The screenshot shows the ESPN esports homepage. At the top, there's a navigation bar with links for NFL, NBA, NCAAF, NCAAM, Soccer, MMA, esports, etc. Below that is a main navigation bar with links for Home, Esports Calendar, League of Legends, Overwatch, ESPN Esports YouTube, Tickets, and a search bar. On the left, there's a sidebar for 'esports' with options to 'SUBSCRIBE NOW', 'Sign Up', and 'Log In'. The main content area features a large image of a smiling man (ZeRo) wearing a 'TEMPO STORM' jersey. Below the image is a headline: 'ZeRo latest to leave Twitch; will stream for Facebook'. To the right of the image is a 'Top Headlines' sidebar with several news items. At the bottom, there are two smaller sections: 'Overwatch League Season 3' featuring a group of players, and a video thumbnail for '14h • Jacob Wolf'.

Finland becomes next country to recognise esports

By Jay Massaad - August 10, 2017

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Professional esports claims official recognition from the Finnish government as pro players are now regarded as athletes.

According to an article on the *Nordic Business Insider*, the Finnish Central Tax Board recently announced a decision to consider esports players as athletes for tax purposes. The statement justifies the move by describing how sports "can also mean mental games of skill, where success is primarily based on something other than physical performance."



The news comes just one week after we reported that the Games and Amusements Board in the Philippines officially recognised esports for the purposes of their support and regulation.

SPORTS NEWS FEBRUARY 19, 2018 / 2:10 AM / 2 YEARS AGO

Olympic Channel boss says ready to explore esports after Pyeongchang

Karolos Grohmann

4 MIN READ



PYEONGCHANG, South Korea (Reuters) - The Olympic Channel will look into engaging with its young audience through esports straight after the Pyeongchang Olympics as the rise of competitive electronic gaming can not be ignored, its Executive Director Yiannis Exarchos told Reuters.

eSports: Recommendations

Marketing Recommendations for Advertisers

Invest in MOBA and Battle Royale Genres

- Decrease in League of Legends participation may show a trend in Battle Royale genres (Fortnite)
- One thing to keep in mind is prize money and gamer population may not mean a larger market share
- Find **social media influencers** popular in these genres and games
- Sponsor players and teams popular with these genres/games, and advertise at relevant tournaments

Invest in Underutilized and High Potential Markets

- Invest in Finland and significant countries like Australia and Lebanon
- Female gamers
- African American and Hispanic Ethnicities

Make partnerships with eSports professionals at an early age

- The top eSports earnings age is **24 years old**, find sponsorships and create partnerships early with **under 18 year olds**, invest early in their future
- eSports is a young demographic and there are few successful eSports gamers past their mid 20s
 - Limited shelf-life, possibly due to burnout

Sources

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