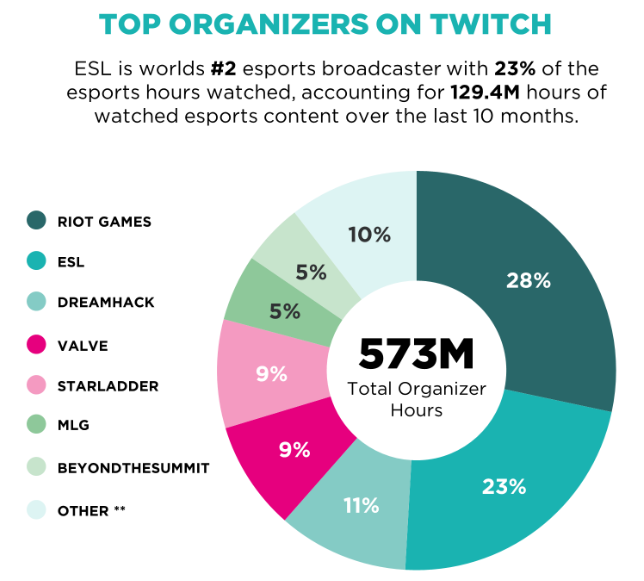
What is Esports?

What is Esports? CNN defines Esports as “the world of competitive, organized video gaming. Competitors from different leagues or teams face off in the same games that are popular with at-home gamers: Fortnite, League of Legends, Counter-Strike, Call of Duty, Overwatch and Madden NFL, to name a few.” (AJ Willingham, 2020)

“These gamers are watched and followed by millions of fans all over the world, who attend live events or tune in on TV or online. Streaming services like Twitch allow viewers to watch as their favorite gamers play in real time, and this is typically where popular gamers build up their fandoms.” (AJ Willingham, 2020)

This is an accurate overview of what Esports is. In addition, this report covers aspects from how funding works to how player rates are calculated, and where a lot of the income comes from for organizations running teams.



NewZoo Esports - 2016

In Esports, it is common for tournament organizers to be late to pay players and organizations. Even to the extent where a popular organization “Windingo” had to shut down after not being paid $500,000 from WESG who is run by Ali Express.

It isn’t uncommon for organizers such as WESG, Starladder and ESL, the second biggest organizer for Esports, to do this.

Although it happens more often with players and organizations, it also happens with casters and hosts. This year however, has been different as many people have thought the tournament organizers were “taking the piss” – Vince Hill (Caster).

Funding for Esports Organizations

G2 is one of the biggest Esports organizations in the world, consistently being at the top in a lot of games from League of legends to Rainbow Six Siege.

In 2018 Forbes listed G2 as the ninth most valuable Esports organization, with a valuation of $165 million. With a net revenue of $22 million. G2 is still growing with partnerships with Logitech, AOC and Red Bull.

As well as generating revenue through sponsorships and through partnerships, G2 also receive investments. One very recent one is from Joseph Tsai, an Alibaba cofounder, billionaire and the [owner of the Brooklyn Nets](https://www.forbes.com/sites/kurtbadenhausen/2019/08/15/alibabas-joe-tsai-set-to-buy-brooklyn-nets-and-barclays-center-for-record-33-billion/). Joseph invested $10 million into G2 Esports. This is one of the biggest investments into an Esports organisation.

FaceIt VS ESEA

In Esports there are many ways to become the best but the main way you are measured up to other players is either your level or grade in ESEA or Facet; this is especially true in the Counter Strike Community.

ESEA has a ranking system similar to how some schools work, ranging from a D- to an S, whereas FaceIt has levels stretching from 1 to 10 with 10 holding the best players.

There have been many debates about which platform is better to use when trying to go pro, but they both have their ups and downs.

For instance ESEA uses an external client, which is good for the players using it because it has a built in anti-cheating software. Resulting in less cheaters in matches. As well as this ESEA seems to have a lot less toxic players than normal matchmaking or though FaceIt. Even though FaceIt does have slightly more toxic players it is not an overwhelming amount nor does it ruin the experience. ESEA also have 128 tick servers like FaceIt but unlike matchmaking for the most games they normally use 64 tick servers.

FaceIt does have the option to be free unlike ESEA although it is not terribly expensive. However most people who use the free version have complained about finding trolls in their games, which they say can ruin their experience.

An Elo rating system is integral to platforms like these, although most players don't know how it works. This ranking system was created by Professor Elo, it is explained that every player has a rating to determine which rank they are in.

With every player having a set number, if a person of a lower Elo (worse player) faces against someone with a higher Elo (better player) and the player with the lower Elo wins, then they would take more points away from the higher Elo player as the higher Elo player is expected to win. If the higher Elo player does win they would get less points as they are fighting someone who are at a lesser level than them.

The history of Esports

Esports has evolved a lot since its early days from small L.A.N tournaments and arcades. There has been many influences in Esports history, from MLG (Major League Gaming) to the biggest match fixing scandal in Esports.

The first ever tournament was at Stamford University in October of 1972, with a prize pool of a year long subscription of the Rolling Stones magazine. The game that was played was Spacewar developed by Steve Russell and was developed through 1961 for a release in April of 1962.Image of Spacewar on a PDP-1 from the Spacewar Wikipedia.

Image of Spacewar on a PDP-1 from the Spacewar Wikipedia.

The Esports stage then grew when 10,000 people attended a Space Invaders Tournament in 1980. It recieved a lot of media attention as it was the biggest Esports event at that time.

The Red Annihilation Tournament was the undisputed biggest gaming tournament in the west in the 1990s. The winner of the tournament that drew over 2000 competitors would win the lead developer’s Ferrari. This quake tournament is regarded as one of, if not, the first proper Esports tournament.

The first big explosion of Esports happened in South Korea with the release of Blizzards Star Craft. Starting in 2002 pro players started collaborating, turning themselves into teams. This allowed companies like Samsung and SK Telecom to become major sponsors in these teams.

Blizzard released Star Craft 2 in the summer of 2010. After a couple of years, gaming TV networks stopped broadcasting Star Craft 1 events. Even though most pro players and most of the Star Craft community moved over to Star Craft 2 there were still a few people that had their hearts set on the Original Star Craft.

One Esports genre that has held steady for a long time is the fighting game community, with Street Fighter and Tekken being the two biggest and longest running game franchises.

One of the biggest moments in fighting game history was at Evo in 2004, where in the losers’ bracket for Street Fighter 3: Third Strike, Diago Umehara faced off against Justin Wong as Ken and Chun-Li respectively.

Umehara had only a sliver of health left, and then Wong used Chun-Li’s Super Art attack, but instead of blocking or dodging Umehara parried all 15 hits before winning the game with Ken’s Super Art attack.

In the early 2000s first person shooters became more popular, with the likes of Halo, Call of Duty and Counter Strike. With iconic Esports players and personalities being birthed from these games, like the popular streamer Ninja from Halo, or Nadeshot from Call of Duty or even the likes of forest or get\_right from the early counter strike days and there continued professional play going on past 2020.

Counter Strike was one of the first major Esports and one that continues to this day. This was originally a mod for the first Half Life game developed by Valve. The game is still so popular because there has been several renditions of the game. From the original named:” Counter Strike 1.6” to “Counter Strike Condition Zero” to “Counter Strike Source”, which used a newer version of the Source engine developed by Valve. The final iteration is “Counter Strike Global Offensive”.

The latest Counter Strike game has seen a lot of success with prize pools in the millions, and a unique skin market that now has certain skins be purchased for over $30,000. However the Counter Strike scene has since released Majors introduced to allow the best teams from all around the world to compete. These were introduced in 2013 and the most notable of the majors was the Boston Eleague Major in 2018, where a Faze super team one of the best in the EU at that time came in second after the underdogs Cloud 9 won the Major in a very close overtime match on the Map Inferno. It is one of the most notable because it was the first time a North American team had won a Major.

A game that quickly became the most popular Esport in the world, League of Legends came out on the 27th of October 2009. By July 2012 it was the most played PC game measured by hours in the North American and European regions. By 2014 there was no less than 67 million players per month.

League of Legends also introduced Worlds in 2011 and they have been running ever since birthing strong teams and talent like SK Telecom T1’s Faker renowned by the community as the best League of Legend’s player ever winning 3 world championships. At the 2018 worlds event this was the first time since South Korea got a server where they did not get into the top four teams.

In the summer of 2013 Valve released a smash hit competitive game known as Dota 2 (Defense of the Ancients 2) a successor to the 2003 game. This huge game created their big tournament named “The International”. This was introduced in 2011 but in 2013 they let the community purchase downloadable content from Valve and 25% of the earnings of those items would add to the total prize pool of the tournament. This crowd funded tournament system worked with the 2013 prize pool going up from $1.6 million to over $2.8 million then in 2014 nearly $11 million and it just keeps going up with the last International having a total prize pool of $34,330,068 which went up by over $8.7 million.

Although Esports is big and some new games are huge like Fortnite exploding in 2018, a lot of the Esports community do not consider it an Esport as when they release patches they don’t tell the players what has changed and sometimes this has happened right before a big event. Although Fortnite is one of the strongest video game Esports to come out recently is it one that pours a lot of money into the emerging player market allowing lesser known players to win large sums of money and to become recognized as a pro player. This however is something that other Esports don’t do. Take Counter Strike Global Offensive for example, you need to be at least a Tier 1 player to be put into a big pro team and if you are in Tier 2 or Tier 3 then there is a lot less chance that you will be picked up for a big pro team.

Esports Buyouts

Buyouts in Esports are a common thing. From singular players to whole teams to entire companies.

Win.gg defines “Buyout clauses are a common phenomenon in both traditional sports and Esports. When one team seeks to obtain the services of a player contracted to another team, they have the ability to convince the other club to part with the player for a cash payout.”

We can see the buyouts happen in nearly every Esport, from League of Legends to Counter Strike Global Offensive. The biggest buy out in Esports is when in June of 2019 Immortals Gaming Club acquired Infinite Esports & Entertainment, the parent company of Optic Gaming. A statement from Immortals Gaming Club “values Infinite at more than $100 million in enterprise value.” This had lead many people to believe that the buyout for Infinite was over $100 million.

Although buyouts for entire companies are very uncommon, something slightly more common is the purchases of places in the LCS or LEC. In fact in 2017 the Echo Fox organization bought a League of Legends North American LCS spot for $1,000,000.

The future of Esports

The future of Esports is unknown to many, although with the announcement of Overwatch 2, Project A and Legends of Runeterra by Blizzard and Riot Games. It seems like the future will be similar to what we have now but with newer takes on different genres.

Define what e-sports is

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Section on history

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Windingo Alibaba WESG

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Buy outs

[https://www.google.com/search?q=Esports+buyouts&rlz=1C1GCEU\_enGB875GB875&oq=Esports+buyouts&aqs=chrome..69i57.4333j0j7&sourceid=chrome&ie=UTF-8&safe=active&ssui=on](https://www.google.com/search?q=esports+buyouts&rlz=1C1GCEU_enGB875GB875&oq=esports+buyouts&aqs=chrome..69i57.4333j0j7&sourceid=chrome&ie=UTF-8&safe=active&ssui=on)

Faceit vs esea

<https://www.reddit.com/r/GlobalOffensive/comments/6zxbqs/esea_vs_faceit_eu/>

Future of Esports

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