ESPORTS 2.0:

IT'S TIME TO PAY ATTENTION

maru/matchbox

When we talk about gaming in 2019, we're talking about a nuanced and expansive world of electronic games ranging from player-versus-player, first-person shooter, real-time strategy, multiplayer online battle arena, and massive multiplayer online role-playing games (MMORPG), just to name a few. With the advent of Twitch, Cheddar, Mixer, and many more game streaming channels, a distinct and exciting culture has developed not just around gaming, but also around Esports—tournaments centered around multiplayer, competitive gameplay, often for monetary prizes.

In August, Maru/Matchbox conducted a study among our deeply-profiled panel of consumers, aimed at determining if and how people watch Esports, and what draws them to it. The results not only confirmed the importance of "community" in the gaming world, but also indicated that Esports appeals to a wide range of audiences—old and young, male and female, urban and rural—making it primed for expansion into the media world more generally.

THE INDUSTRY SO FAR

Esports is not a new industry, but it is getting bigger and more widely recognized by the minute. Looking at the industry as it exists today:

Personality is vital

One of the most important things for an Esports or gaming personality is, well, their personality. Streamers need to convey their unique perspective in their streams, as viewers highly value authenticity (the dreaded "a" word according to more than a few Esports executives). Fan loyalty is often connected to a particular streamer, which leads them to support a particular team in competitions. This loyalty even extends to streaming services, as was demonstrated by "Ninja" Tyler Blevins recent switch from Twitch to Mixer, which caused Mixer downloads to skyrocket.

Sponsorships are on the rise

Esports competitions are thrilling, in part, because of their high stakes, and by the David and Goliath-style stories that emerge from the success of some teams. With this in mind, sponsorships are becoming an even bigger part of the Esports experience. Many major companies such as Gillette, Hershey's and General Mills are already involved, but there is further room for growth as the Esports audience expands, diversifies, and becomes more vocal about the content and support it needs and wants. Advertisers know that young men are the hardest audience segment to reach, and Esports is a prime way to get their attention. Mercedes-Benz is an official sponsor of the ESL Pro Tour, knowing that the average Esports fan is 29, making these fans and players a prime target for a purchase of a Mercedes-Benz G-Class.

It's no longer the boys club

High schools, colleges and universities across the U.S. have recently established Esports teams. Female gamers are also increasing their representation in the sport, as evidenced by the Cleveland, OH school which launched a girls' varsity Esports team, and Gen. G's partnership with Bumble, a sponsorship which aims to empower female players. Along those same lines, MAC Cosmetics recently announced a partnership with Twitch.

SO WHAT?

We asked 1,000 participants a series of questions about their gaming, Esports, and general media viewing habits. We looked specifically at those who watch Esports, read about it, discuss it online or in-person, and attend the events—in other words, all those who are in some way involved in the gaming world. Seventy-one percent of respondents claimed to be involved in one or more of these ways.

Esports is a daily practice for beginners, with a third of these gamers playing an hour-a-day on average, compared to advanced gamers who play around three hours a day. When advanced gamers want to watch gameplay, they gravitate toward YouTube Gaming, Twitch and Facebook Gaming. These same platforms are also where advanced gamers feel the most comfortable to comment and post in forums. Daily visits to Facebook and Instagram are popular among both beginner and advanced gamers – for posting and following their favorite teams and players.

Streaming Esports is not a solitary practice. Respondents most often cited watching with friends or family, and many parents said they use Esports as a way to bond with their kids.

Some survey-participants even mentioned Esports-themed bars that live-stream events for large crowds as a favorite way to consume the medium. Take, for example, some of these responses from survey participants, asked to describe the ideal way to watch Esports:

> **...streamed on Twitch. I'm usually hanging out with my adult kids...backing our favorite players playing games at a level we simply can't personally do. We break out the chips and salsa and enjoy the gaming together whenever we can. We may not be in the same room at the time, sometimes [we're] hundreds of miles apart, but [we're] talking among ourselves the whole time.**

> **I meet with my childhood friends to see Esports. We grew up playing video games. And it is very nice to watch...[together].**

Moreover, when asked what the ideal way to watch Esports was, many respondents mentioned that their ideal scenario involved a cold beer in hand.

Sound like a familiar scenario? It should. Esports culture, once considered something of a creature of its own, is becoming much more mainstream. Eighty-two percent of viewers found watching Esports to be similar to watching a live sporting event, 73% found it similar to reality TV competitions like The Amazing Race or Survivor, and 59% of those who watched Esports live or on-demand even compared the experience to watching movies.

NOW WHAT?

Our study illustrates that the world of gaming and Esports is more and more on a collision course with the world of live sports and other forms of media. Esports are "streamable", shareable, and has one of the strongest communities in the media world.

As previously mentioned, sponsors such as Coca-Cola, Red Bull, and Mercedes-Benz are already on board, and events like ESL Majors, The League of Legends World Championship, and The International are projected to pull in at least 84 million viewers, with that number only growing. In August alone, 234K US-only audience members watched Team Liquid (whose sponsors include NBA-great Michael Jordan) beat Clutch Gaming to qualify for LoL Worlds.

In the immediate future, brand sponsorship money will become more important as venture capital runs out. Gears 5 2019-2020 season is featuring $2M+ in prize money. Minecraft now has 112M monthly players, and Minecraft Earth is in the process of launching in many countries. A new Esports network called VENN has announced $17M in funding and support from gaming heavyweights. E3, the annual video gaming convention, is rebranding as a "festival" for fans and influencers. Japan's first dedicated Esports hotel plans to open in Spring 2020 with three full floors of gaming gear. The Oakland Raiders-soon to be-Las Vegas Raiders NFL team and Twitch announced an Esports partnership to open a competition space at the new Allegiant Stadium next year.

In the more distant future, Esports will permeate all age groups and levels to make this a more organized and mature business. For example, collegiate sports teams are getting brand new gaming centers and scholarship money has been allocated to attract top talent. The NCAA has made it clear they do not want to adjudicate Esports, so individual gamers and teams can have sponsors.

The best gamers in the world are going to get younger and younger. Perhaps even "soccer moms" will become "Fortnite moms". Games are no longer closed environments, with daily updates and the ability to insert branded content into games.

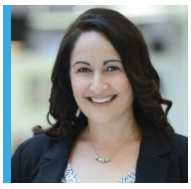
> **For Esports to continue to grow and thrive, the sport will need to build from the ground up as other sports do. The growth of soccer really took hold in the United States with youth leagues like AYSO attracting young girls and boys who became lifelong fans of soccer. Esports needs to do the same.**
>
> *- Gary Rosenfeld, President, BD Labs, Inc.*

The future is female, diverse and accessible. An Esports executive recently said, "families who slay together, stay together." The excitement of Esports will pass from generation to generation, and family game night will take on a whole new meaning.

> **As Esports, and gaming in general, continues to move into the cultural mainstream, the interest and the momentum from brands will only accelerate. What brands need to know is that in so many ways Esports is like traditional sports, in that, the fanbase is rabid and devoted. Unlike traditional sports however, it is so much more nuanced, genre to genre, and game to game. Brands need to do their homework and educate themselves on what will work best for their brand, product, or message before leaping in headfirst.**
>
> *- Robb Hittner, Head of Brand Partnerships, Whiz Bang Productions*

With the booming market for Esports, it is important to get in early with content tailored to the audiences you plan to attract. Maru/Matchbox has state-of-the-art research technology and solutions, which allow for in-depth insights into the way consumers make decisions on an instinctive, emotional level. We also have cultivated communities focused on general media viewers, and coming soon, we will launch a community targeted specifically at the Esports and gaming audiences.

The world of gaming is growing wider and wider, and to meet the demand for Esports content, it is important to understand not only the sport itself, but also the millions of viewers who are invested in it.



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About Maru/Matchbox

Maru/Matchbox, began disrupting the market research industry in 2000. We're a different breed of global insight partner, built on proprietary technology that enables our experts to connect with the people that matter most to our clients. Our people bring deep sector-focused knowledge to client projects, so they can build and maintain a competitive advantage. We have agile tech platforms to connect with customers, provide on-demand insight and combine quality research and analytics data sources.