

esports - The opportunity for non-endemic brands to come and play

The excitement about esports has reached fever pitch, sparking a scramble by major brands to grab a piece of the action.

The sector is awash with money as speculators bet big on 2018 being the year it comes of age. Investment has come in from traditional sports teams, pop stars, private-equity firms, marketing agencies, games publishers, consultancies and market research companies. However, "non-endemic" (non-techy) advertisers have been largely notable by their absence, aside for the select few.

Looking at the raw figures, it seems unusual that more brands have not given esports a try. The global audience is projected to grow from 385 million people in 2017 to 589 million by 2020 an impressive increase of 53%, according to widely cited figures from Newzoo. Prize pots for tournaments stretch into the tens of millions and broadcast rights are being sold for eye-watering sums.

To support this fact, the recent Fifa eWorld Cup Grand Final held at the London O2 had more than 20 million gamers vying for a spot, with esports chiefs of the belief that it has the potential to muscle in on mainstream sports. Despite being in its infancy, around 30 million viewers tuned in to witness the Fifa season to date, with the showpiece broadcast around the world.

A virtual football World Cup in some form has existed since 2004, but it is only in the past couple of years that both Fifa and EA Sports have worked together on a venture of such magnitude and with such investment. That has resulted in a huge increase in both players and fans - an 80% increase in average viewers on last year.

However, most non-endemic brands still struggle to find meaningful entry points into the category. Whether it's a lack of relevance or simply an unfamiliarity with the space, investing in esports can seem daunting to marketers. As more brands move into the category, universal truths start to emerge that can help newcomers better navigate and evaluate the landscape.

The difference in the number of non-endemic event and team sponsors could be explained by the lack of public and brand understanding of eSports. Some events, including the League of Legends World Championship, receive enough media exposure, albeit on non-mainstream platforms, and have large enough attendance figures to be attractive to non-endemic sponsors. Individual teams do not have the same level of recognition and will likely have to wait until the sport breaks through on linear media platforms before they are able to profit to the same extent.

One of the biggest challenges, but also opportunities, for prospective brand partners is the fact that there is no centralised regulation or rights-holder for esports. The industry is dominated by a number of different games, formats and leagues. Therefore the traditional sponsorship and property formats aren't in place yet, which can put off big, traditional non-endemic brands from activating a sponsorship in this space.

Clearly the numbers speak for themselves, but there is relatively little in-depth knowledge of the industry amongst senior stakeholders and hardly any data on the effectiveness of esports sponsorship, as the commercial side of the industry is so young and the engaged brands aren't sharing their secrets. The big brands don't want eyeballs – which esports can provide in spades - they want engagement.

We know the digital platform easily allows for mass reach, but the industry also commands an eager base of young people who are willing to spend hour after hour at venues as well as online, providing plenty of opportunities for brands to engage one-to-one in a live environment. Once online and experiential engagement data becomes more readily available, this could tip the balance for a lot of brands.

For those with little knowledge of esports, it can appear mind-boggling, due to the number of tournaments, games, teams, players etc. However this is now a sector advertisers cannot ignore any longer and I have called out a few truths to assist non-endemic clients / brands planning and review of this as a platform to engage audiences:

- Gamers are not antisocial

The long-standing stereotype of lonely gamers playing from their parent's basements is hurting the ability to see that this new age of gamer is one of the most connected and community-driven we have seen. As brands build audience strategies, it is important to remember that just because this audience converses in a different way than typically used to, does not mean the level of community pride and inclusion they exude is less important

- Think beyond the game

A challenge in esports is the fast-changing preference in titles. Yes, there are some that have bigger infrastructures attached, such as Overwatch (Overwatch League) or Counter Strike (ESL), that will secure their places for a longer period of time. But if/when Drake logs on one night to stream Fortnite with Ninja, and the next day, millions of gamers quickly pivot to the new title, it can make it tough to predict which game to associate with. Instead, embrace the volatility of preference and show your audience you are fans of the space across multiple titles.

- Celebrate women in gaming, just as in traditional sports

Yes, the esports and gaming space is heavily skewed toward men, but the reality is that women are one of the fastest growing demographics in game playing and viewership. 40 percent of gamers are women, which offers the perfect time for a brand to create an experience that features the amazing women of esports and how they're not only bucking the stereotype, but winning while doing so.

An increasing amount of these top-tier esports are entirely organised and managed under the administration of their original developers and publishers of the video games in question – Activision Blizzard, Riot Games and Steam all are heavily involved with the advertising, funding, promotion and organization of tournaments for Overwatch, League of Legends and Dota 2, respectively – rather than third-party esports organizations such as the Electronic Gaming League and Major League Gaming as in the past. This has led to increased support for the competitive and professional communities, directly provided from the creators.

- Story tell to showcase your relevance and authenticity

For most non-endemic brands, the esports category is new and there is a desire for the first foray into the space to be perfect. As enthusiastic as gamers can be, they can be equally critical of outsiders attempting to exploit what they've spent so long to build. This added pressure can often have a paralyzing effect on brands' willingness to enter the space altogether. Instead, brands should approach esports with a transparent narrative, showing gamers they support the space and are enthusiastic to participate, story telling what they're doing and allowing fans to help shape how their support evolves.

Clearly, if you're a brand looking at sports sponsorship opportunities, then you need to consider esports. Not only are sponsorship packages extremely favourable when compared to sports with similar viewing figures, but you can take advantage of the start-up mentality and be creative with what assets you buy and how you activate those rights effectively. Move quickly, and you can take advantage of the platform, and its impressive stats, to reach a highly engaged youth audience.

The key of course, just as in traditional sports marketing is to achieve relevance and authenticity to the audience which adds value to their experience and helps bring that brand promise to life. Brands must consider how they will add value to eSports over time, or be prepared to feel the community's wrath. If you do things right the positive brand equity that can be created is huge and it's more than just the exposure.

If brands are not authentic the audience will let you know. Fans are very happy with putting their gaming and their lives online, and expressing their opinions. I think brands are learning to make sure



they're listening to the community, however brands need to be in it for the long haul; don't think you can dip in and dip out, because that isn't going to work for your brand or the audience.

By James Anderson, Business Director