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Sport marketing's move into esports: insights  
from Germany

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**Reaping the digital dividend? Sport marketing's move into esports: insights from  
Germany**

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*Abstract:* This article analyses the role of esports for sponsors and sport clubs in the context of their marketing activities. We start by positioning esports in the domain of sport technology, innovation, and entrepreneurship. Then, we examine foundations of the esports industry, including an analysis of the most relevant stakeholders in the ecosystem, and outline potential links to digital marketing. We interviewed nine experts, representing distinct sport clubs, sponsors and consulting agencies from Germany, with the aim of generating specific knowledge about characteristics of sponsoring and marketing operations in the gaming industry, including reasons for entry, choosing relevant marketing channels and implementation approaches. Additionally, we examine measures of success, prevailing risks as well as future perspectives of the industry. In writing this paper, we contribute to a better understanding of the nascent field of esports, specifically from a digital marketing perspective. A central contribution of the study is the illustration of esports' value for sport marketers, while shedding light on how digital marketing potential can be leveraged on an operational level. Based on our findings, we present several recommendations for sport marketing managers to jump-start their esports engagement and provide an agenda for future research at the intersection of sport management and digital marketing.

*Keywords:* esports industry; digital sports; sport marketing; content marketing; digital marketing; sport sponsoring; competitive gaming; sport clubs; marketing activation; esports ecosystem; sport technology; sport innovation; sport entrepreneurship

## Introduction

In an increasingly digitised and automated world, globalisation, digitalisation and technological innovation are major drivers of transformation processes. As a result, many companies are working to establish digital strategies that lead them into a more digital future (Bharadwaj et al., 2013). Marketing's prominent role in this endeavour is no coincidence, since customer experience is often considered an integral component of digital transformation initiatives (Westerman et al., 2014). The abundance of digital customer data generates fundamentally novel opportunities to reach out to and interact with consumers, particularly with help of customised or user-generated content (Rogers, 2016).

The sport business is no exception (Ratten, 2011, 2019; Ströbel et al., forthcoming). Nielsen, a market research company, conducted a study with executives to identify global sport trends in 2018, emphasising the overall impact of digitalisation on the sport industry (Lovett, 2018). The study's results point to a prevailing transformation of sponsorship and the disruption of distributors as well as an increasing focus on digital media exposure for sport organisations in order to stay relevant. Content is king, the study concludes, since organisations are forced to implement new ways to reach target audiences through digital services and technologies. The study's final trend – and the most visible synthesis of digitalisation and sport – is the evolution of esports or, in simple terms, the industry of playing video games professionally (Lovett, 2018).

Esports has become a global phenomenon, having evolved into a spectator sport of international scope and garnering recognition as an official part of the sport and entertainment business. The sector attracts a rising number of renowned investors, sport clubs, and companies that enrich the industry with capital and business expertise, accelerating the growth of awareness, revenue and professionalisation (Adams et al., 2019; Scholz, 2019). To illustrate this point: In

2019, the global fan base of esports is estimated to encompass 454 million people (Pannekeet, 2019), the League of Legends World Championships were streamed online for almost 140 million hours (Esports Charts, 2019), and the Intel Extreme Masters in Katowice drew over 174,000 live spectators (ESL, 2019).

In a recent review, Funk et al. (2018, p. 12) encourage sport practitioners and sport management academics to “devote increased attention to esports and embrace its commercial, educational, and research potential”. Esports’ digital origin inherently implies the utilisation of digital tools, which provides potential synergy effects for the digital marketing efforts of sport organisations (Cunningham et al., 2018). According to Michael Heina, Nielsen’s head of esports in Germany, “the interest in esports among most decision-makers is now certainly over 90%. But when it comes to important details, the level of knowledge is often still very superficial” (Eberhardt, 2018). Thus, while it is clear that esports “should be attended (to) by marketers ... the question arises how” this should be done (Hallmann & Giel, 2018, p. 18).

Addressing this gap, our paper deals with the questions of why organisations should engage in esports and how they should design their esports strategy to reach marketing objectives. This is important because many sport marketers are currently unsure about how to respond to the development in esports, i.e. whether to enter the field or not and, if so, how they may do so. In order to answer these questions, we collected interview data from nine experts in the esports industry. Our paper is the first to provide a multi-stakeholder view of digital marketing in the domain of esports. A central contribution of the study is the illustration of esports’ value for sport marketers, while shedding light on how digital marketing can be leveraged on an operational level.

Germany “is the largest European esports market and [furthermore] considered one of the most significant markets worldwide” (Arkenberg et al., 2018, p. 7). A considerable number of

globally recognised esports entities are based in Germany, including the world's largest event organiser, ESL, the renowned team SK Gaming, the worlds' largest gaming convention, GamesCom, and the headquarters of Riot Games' European top League of Legends Championship, LEC. Against this background, the country surely provides an interesting setting for the study of esports in a marketing context.

The paper is positioned in the domain of sport technology, innovation and entrepreneurship. In Section 2, following a review of the theoretical foundations of esports, a presentation of its status quo, and an overview of the basic characteristics of the industry, the foundations of digital marketing are depicted with a focus on the critical aspects regarding esports. The empirical investigation is described in Section 3 and the studies' results are presented in Section 4. Section 5 discusses the findings of the interviews, followed by Section 6 on theoretical and managerial implications as well as limitations and implications for further research. Section 7 concludes the paper and provides a future outlook.

## **Theoretical Background**

### **Esport technology, innovation, and entrepreneurship**

In order to initiate technological innovations, sport organisations need some degree of creativity and dedication. Innovations can occur in a variety of ways, from incremental to radical shifts. In a rapidly changing global business environment, innovation and change are fundamental foci of sport. As competition increases, it is through innovation and entrepreneurial spirit that sport organisations will evolve to gain competitive advantage. Optimised scouting analysis, improved injury prevention or tailor-made targeting of new audiences are just some benefits of implementing

new technologies, but “despite the practical usage of technological innovation in sport, the academic literature is still at a nascent stage” (Ratten, 2019, p. 1).

There is great potential for both research and practice to better understand various attributes of innovation in sports. Innovation is changing the way sport is practiced and how people connect with sport. Therefore, sport may be considered an entrepreneurial process in which innovation and change are key elements. The rapidly growing and developing sport marketing discipline is an example of how entrepreneurship occurs through innovation, proactiveness and risk-taking activities. Thus, the ability to innovate is a core requirement in sport, as it enables renewal and change by optimising the status quo and encouraging new sports to develop (Ratten, 2011).

“Like anything that we currently use, all artefacts used in sports (and even sports themselves) needed to be invented and implemented at some point in time” (Bogers, 2018, p. VIII). In this paper, we will focus on the invention and implementation of a new type of sport, i.e. the activity of competitively playing video games, also known as esports.

## **Esports**

The origin of esports can be traced back to the year 1972 and the game Space Wars!, when Stanford University held a tournament and distributed prizes to the winners (Baker, 2016). The emergence of broadband internet and the founding of the first associations and teams during the 1990s were critical milestones for the development of the esports industry. The entry of the streaming platform Twitch in 2011 set the basis for the evolution as a spectator sport (Billings & Hou, 2019; Scholz, 2019). First studies show that spectator motives for esports and traditional sport seem to be consistent (Pizzo et al., 2018; Shaw et al., 2019). The preliminary peak of interest was reached in

2019, when the League of Legends World Championships were streamed online for almost 140 million hours (Esports Charts, 2019).

Wagner (2006, p. 3), in one of the oldest accounts of the term, defines esports as “activities in which people develop and train mental or physical abilities in the use of information and communication technologies”. The main difference to traditional definitions of sport is the shift from physical to mental activities. Going forward, we should expect that “the activities we will accept as sport disciplines will change as our value system changes ... due to technological progress ... The emergence of esports can thus be interpreted as a logical and irreversible consequence of the transition from an industrial society to the information and communication-based society of today” (Wagner, 2006, p. 2). According to the future scenarios of esports described by Jonasson & Thiborg (2010), this statement reflects scenario two, where esports is part of the hegemony of sport. However, the previous definition misses the competitive character of esports and its differentiation from casual gaming. The demarcation between these terms is sometimes blurred due to a lack of official association structures and reliable definitions, but it is absolutely essential to consider. In simple terms, gaming is about the hobby of playing video games and esports is the professional part with official tournaments, an advanced infrastructure, and cash prizes (Adams et al., 2019; Reitman et al., 2019). Nevertheless, the gaming community and the professional esports community interact with and feed each other, which has important repercussions for the (digital) marketing of esports. Owing to similar characteristics, i.e. teams, leagues, tactics, among other things, a comparison with the term sport appears obvious, although discussions whether esports may be considered a sport are still ongoing (for some detailed discussions, see Bowman & Cranmer, 2019; Hallmann & Giel, 2018; Heere, 2018). While this discussion is important, Heere (2018, p. 21) highlights that “regardless of whether esports qualify

as sports, the activity of professional gaming should be examined in sport management because they are a manifestation of sportification. Scholars should embrace esports and examine their effects on our industry”.

The development of esports as a business sector is often described as a global youth phenomenon, but in reality, there are two unequal gaming cultures, distinguished by the Eastern and Western value systems (Wagner, 2006). The Eastern gaming culture represents the main driver of the industry, since online multiplayer gaming first spread out pervasively especially in South Korea and China in the course of the 90s. Furthermore, Asia will be the first continent to integrate esports as an official medal sport in the Continental Games in 2022 (Graham, 2017). Just before the next Olympic Games in Tokyo will start, the International Olympic Committee is planning to hold an esports tournament in the disciplines Rocket League and Streetfighter V in collaboration with the Electronic Sports League and Intel (Chan, 2019).

Esports in Western culture is not as well accepted by society, but it is receiving more and more attention, which can be seen in rising viewership and revenue figures as well as the founding of national esports associations. In Europe, a European Esports Federation is currently being established, as stated in the “Berlin Declaration” (ESBD, 2019). Esports has also been included in the German government’s most recent coalition agreement, paving the way for it to become an official sport (ESBD, 2018). A rising number of global events have attempted to bring the Eastern and Western cultures closer together, but different consumer needs impede true unity; thus, the gaming cultures “remain largely separated and seem to develop almost independently. his, however, is not unlike the situation in traditional sports, where different cultures prefer different sport disciplines” (Wagner, 2006, p. 3).



*Game genres and disciplines*

Esports genres and disciplines differ in many respects, as they are characterised by individual subject matter, gameplay, tone, publishers and communities. Esports genres may be considered classes of games, such as shooters, strategy and sport simulations, and disciplines (=games), such as Formula 1 or Need for Speed within racing. Each genre again has a number of sub-genres, such as racing for the genre of sport simulations.

According to Taylor (2012, p. 165), the categorisation of “esports is not based on a single sport. There are games that come and go, you can base it on genres of games”, while each genre is governed by different rules and communities. Fans in Western core markets followed between two and three genres and around five individual games in Pike & Master (2017). The main genres and disciplines are depicted in Figure 1.

The key figures for the individual games are not stable for long, since rapid evolution, destruction and up-and-down development for games exists due to fast technological development. Game titles influence each other, especially if they have similar gameplay. In other words, the publication of a new game title in an existing genre may have adverse effects on incumbent titles in the same genre. The most popular disciplines, or game titles, are measured in terms of participation, prize pool, and spectator interaction and can be classified into so-called tiers. The three dominant titles, League of Legends, Defense of the Ancient II, and Counter Strike: Global Offensive, all belong to tier 1, which is characterised by more than 8 million monthly active users, an annual prize pool exceeding 5 million US Dollars and more than 20 million monthly hours watched (Hana, 2017). Generally speaking, sport-themed games represent only a small fraction of the overall esports industry in terms of players and viewership, but they are more compatible with

the broader society, as their similarity with physical sports simplifies an understanding of the gameplay.

**Figure 1** Major esports genres, sub-genres and disciplines (adapted from Hilgers, 2020)



While genre-specific publications are urgently needed to advance the field of esports, Rogers (2019), for example, has dedicated an entire section in his book to this topic, shedding light on sports video games, the Formula 1 esports series and Counter Strike. The sport-themed genre seems an intuitive fit for many sport organisations, particularly when they consider getting into esports. Strategically and theoretically speaking, however, it may be worthwhile observing how

traditional sporting organisations are diversifying and venturing into more distanced genres and markets, a good example of which is the move of Schalke 04, a traditional German soccer club, into the esports discipline League of Legends, which belongs to a sub-genre of strategy games called Multiplayer Online Battle Arena, or MOBA (Schmidt & Holzmayer, 2018). Such moves constitute initiatives of incremental and radical change, to retain Ratten's (2019) notion of sports entrepreneurship introduced earlier.

To sum up, the esports industry is made up of distinct genres, sub-genres and disciplines, with different degrees of institutionalisation and acceptance in society (Abanazir, 2019). However, the full esports ecosystem is even more complex and requires a separate discussion of the central stakeholders.

#### *Ecosystem and stakeholders*

Esports infrastructure lacks transparency and simplicity because the variety of distinct competitions within each discipline and the overlapping activities of organisations involved in the gaming industry impede a comprehensible and logical tournament structure (Funk et al., 2018). The publishers represent a core stakeholder of the industry; through developing, designing, distributing and marketing video games, they are the origin of all esports-related content. Some game developers (e.g. Riot Games or Valve) even organise their own esports competitions, produce coverage, and commercialise rights. Furthermore, they license their products and sell these rights to external tournaments, leagues, and event organisers, like the Electronic Sports League, which run competitions and therefore act as cornerstones of the tournament system. These companies are fundamentally involved in the competition environment through fostering regulated tournament structures and delivering esports content for broadcasters and media platforms. The

broadcasters (e.g. Twitch, Mixer, ESPN or YouTube Gaming) buy media rights, stream live coverage, and display esports events or additional gaming related content, often without requiring a subscription fee.

Teams and players provide the major reasons why people follow esports – especially for their emotional core, star appeal, and gaming skills. Typical teams consist of multiple squads competing under a unified brand in diverse disciplines from distinct genres. For example, the German team SK Gaming has around 30 players in the disciplines League of Legends, FIFA, Hearthstone & Smite, to name a few (SK Gaming, 2019). The key personnel for each team are the players, since they are pivotal for competitive success and the generation of viewership in streaming sessions. A special form of gamers are influencers, who own a big fan base on their social channels due to their talents at entertaining, in addition to their gaming skill. Sponsors and advertisers are the central drivers of monetisation and hence professionalisation of the scene, since they provide 82 % of the industry's revenue (Pannekeet, 2019). Advertising companies are often distinguished by their status as endemic or non-endemic nature (Fullerton & Merz, 2008). Technology companies (e.g. Intel) were considered non-endemic for traditional sport, yet are considered endemic for esports, as they are contributing to the performance of esports athletes, thus presenting an opportunity for technology firms to become naturally associated with gaming and esports, something that was not possible in the past. Fans follow individual players, teams, events or games via broadcasters and are exposed to advertisements for merchandise, online subscriptions, tickets etc. The followers are highly engaged in online settings and take part in dialogues with other stakeholders due to esports' interactive character. Agencies and start-ups provide specific expertise in various dimensions, such as content creation or data tracking, and therefore fill knowledge gaps in organisations. For a deeper comprehension and a more

sophisticated overview, we recommend the Catalyst stakeholder analysis (Catalyst Sport, 2017). Although it may be costly in terms of time and effort to fully comprehend the complex and growing esports ecosystem, prior research in the sport domain has shown that identifying more relevant stakeholders – both nationally and internationally – increases firm performance (Yu et al., 2015). This can only be achieved through a careful screening of the ecosystem.

### **Esports in the context of digital marketing**

It is telling that in a recent special issue on contemporary issues in sport marketing, the editorial starts with a reference to the “blooming esports industry” (Manoli, 2018, p. 1), yet the special issue does not include a single paper on it. Even digital marketing is represented by just one article on digital fan engagement via social media (Vale & Fernandes, 2018). Strikingly, there is a natural connection between esports and digital marketing. The digital nature of esports implies that many athletes are accustomed to the use of online tools – and so is the audience. On the other hand, the way esports content is created and consumed – also by a non-professional gaming community – can fruitfully be leveraged by digital marketers and complements many of today’s online marketing activities. Moreover, traditional sporting organisations generally struggle to attract younger audiences, which esports manages to do well. Overall, there is significant potential for sport marketers and researchers to dive into and connect to the growing esports industry. As the future of marketing is digital (Busca & Bertrandias, 2020; Kannan & Li, 2017), so is the future of sport marketing.

The evolution of new media on the internet has reduced the effectiveness of traditional marketing, since nowadays the “outreach to marketers and other sources of information is much more likely to shape [consumers’] ensuing choices than marketers’ push to persuade them”

(Edelman, 2010, S. 62). Thus, marketers need to set more focus on driving advocacy by investing in sales enablement and creation as well as management of content in new touchpoints, rather than spending capital mainly on paid media. In this context, the term digital inbound marketing plays a critical role, as it “represents the process of reaching and converting qualified consumers by creating and pursuing organic tactics in online settings” (Opreana & Vinerean, 2015, p. 30), based on practices such as social media marketing or search engine marketing. The method overcomes boundaries of traditional marketing by enabling novel opportunities to build sustainable and valuable relationships with consumers. In the sport management literature, a number of studies have used the relationship marketing paradigm to investigate online interactions to enhance the relationships between clubs and fans (e.g. Abeza et al., 2013, 2017a, 2017b, 2017c). Most of this relationship-building happens through the distribution of tailored content to fans and personal exchanges with them, thus through content marketing. A key objective of sport marketers is to increase fan engagement on social media (Agrawal et al., 2018; Vale & Fernandes, 2018) and the identification of consumer interests is a central element in this process, allowing companies to create high-quality customised content tailored to the desired audience. Unfiltered user sentiments or personal information about their interests enable content creation relative to user interests and, in the best case, transform users into online brand advocates who naturally create and share content, and connect to the brand (Opreana & Vinerean, 2015). Returning to the results of the Nielsen executive survey (Lovett, 2018) mentioned earlier, “content is king” and probably the most important element of digital inbound marketing.

Content marketing is defined as “a strategic marketing approach focused on creating and distributing valuable, relevant and consistent content to attract and maintain a clearly defined audience and, ultimately, to result in a profitable action of the client for the business” (Content

Marketing Institute, 2015). In this manner, organisations can increase brand awareness and sympathy without intrusively advertising products or services. Pivotal aspects that influence the choice of content topics are marketing objectives, target audience, business environment, and corporate values (Patruti-Baltes, 2016). However, people “are bombarded with so much content these days (...) that [they] simply do not have time for bland, meaningless, corporate marketing-agency nonsense” (Jones, 2018). Thus, the selection of relevant content and its appropriate communication are critical to consider. A best practice example of implementing content marketing is the company Red Bull, which is shaping the brand perception far beyond its core product of energy drinks by representing the company’s values via relevant topics for its young target group, such as extreme sports, music festivals or esports (Kunz et al., 2016).

Esports clearly symbolises an interesting content platform by providing a lucrative audience, which is highly interactive and engaged in the online environment (Eberhardt, 2018). The global fan base is estimated to encompass 454 million people in 2019, with rising future potential. Awareness and audience figures are increasing particularly in emerging markets due to progress in IT infrastructure and urbanisation. Furthermore, increasing media exposure of esports as mainstream entertainment, word-of-mouth stories, and the influx of tech-savvy young generations will further drive audience growth (Pannekeet, 2019). Another market study finds the target group to be largely male, young, well educated, and affluent (Buckle & Mander, 2018). Thus, this audience represents a highly relevant target group for marketers, as gamers are increasingly difficult to reach because their media usage diverges dramatically from traditional communication channels, such as television or radio. “For many businesses in media and entertainment, esports offers a way to reach a demographic that’s been increasingly beyond their grasp” (Arkenberg et al., 2018, p. 3). A further indicator for the continuing success story of esports

is the increasing interest of the broader society, as every third esports fan in core markets of the Western gaming culture became interested in the year 2017 (Lovett, 2018).

When considering online communication and content creation in the gaming environment, the focus lies on the internet presences of stakeholders. Websites intend to inform and transmit individual information about league, event, team and player operations, and performances. Most stakeholders position themselves on social media, such as Instagram or Twitter, in order to inform followers about recent developments, for marketing activities, or solely to entertain fans with exciting content. Additionally, streaming has become an integral carrier of media content and live interaction, resulting in its “significant role in esports’ exponential growth as a new form of entertainment” (Brathwaite, 2018). Not only do the operators of major events use streaming to broadcast their events, but also an increasing number of casual gamers streams private gaming sessions. Thus, content platforms, such as Twitch and YouTube are fundamentally important for marketing delivery in the esports industry. At this point, it is important to note that non-official esports content represents by far the largest amount of gaming consumption (Pannekeet, 2019). However, this fact represents a huge opportunity for sport marketers, as casual gamers may be converted into esports fans and, finally, into esports athletes. Ultimately, extraordinary visitor numbers at esports events create an attractive offline marketing channel as well (Jenny et al., 2018).

Esports offer not only a strongly involved audience but also novel opportunities for marketing communication and advertising appearances. However, despite the recognition of esports as an entertainment business and a growing sponsoring arena, advertising companies and traditional sport clubs lack internal expertise to efficiently leverage the benefits offered by each esports genre, discipline, or event.



## **Methodology**

### **Interview process**

The method we chose for the empirical investigation is the qualitative expert interview, which measures and examines the world of specialists with shared knowledge and thus enables the collection of specific data (Gläser & Laudel, 2010). We developed semistructured interviews, which are characterised by prepared, consistent and systematic questioning derived from key research themes, regularly interjected with individually tailored questions in order to leverage more detailed and sophisticated information concerning individual processes in the interview partner's business environment (Alvesson, 2003). Understanding the knowledge of interior and exterior reality is critical to our research topic. Owing to the distinct organisations and interviewee positions, some questions thus had to be individually constructed for each interview.

The interview guide for the interviews consists of six thematic sections, which contains similar questions in order to enable comparisons about a specific research area. The first section examines esports' impact on a brand and discussed main objectives of a potential market entry into the esports industry. The second section deals with advertising mediums of each stakeholder group and addressed relevant communication channels. The third section is about developing and implementing authentic marketing communication. The fourth section examines prevailing measurement methods for determining the success of the chosen marketing approach. The fifth section covers the industry's central risks, with the objective of determining the most important evaluation approaches and challenges. The last section deals with the industry's future perspective in order to identify esports' potential future development.

**Expert selection**

The selection of appropriate interview partners is the most important element in conducting qualitative research interviews. To justify the selection of interview partners, it is necessary to define what constitutes an expert. Gläser & Laudel (2010) emphasise the specific role of the interviewee as a source of specialist knowledge on the factual circumstances of the research topic. Therefore, employees of organisations involved in the esports environment were consulted in order to answer key questions concerning the research topics. The selection reflects different stakeholders in the market in order to allow for triangulation and validation of results (Denzin, 1978). The interviewees organisations were selected based on their role as a sponsor, sport club, or consulting agency in Germany, representing varied views on the topic from a marketing perspective. Sport clubs were selected in basketball, soccer, and esports. Sponsoring companies were determined by their status as endemic or non-endemic company (Fullerton & Merz, 2008) and integration form, and agencies were selected regarding their field of consulting. Furthermore, the selection of appropriate experts within the organisation was aligned with the paper's core topic of marketing. The network of the authors served as a starting point; a snowball approach was taken as the interviews were conducted in order to identify further candidates. The final interview partners are listed in Table 1, including their positions and organisations. The interviews were conducted between 28 September 2018 and 25 January 2019 and lasted between 40 and 50 minutes. The conversations were conducted by telephone, were digitally recorded and transcribed afterwards.

**Table 1** Overview of interview partners

	<i>Organisation</i>	<i>Position</i>	<i>Business sector</i>	<i>Form of engagement</i>
1	Basketball club	<i>Sales associate</i>	Sport – Basketball	Implementation of esports team
2	Agency	<i>CEO</i>	Consultancy digital strategy and marketing	Digital implementation and social media activation of esports engagements
3	Agency	<i>Partner</i>	Consultancy digital transformation	Research and consultancy of potential benefits of an esports engagement
4	Non-endemic sponsor	<i>Manager of brand communication and strategy</i>	Finance service provider	League sponsorship
5	Endemic sponsor	<i>Manager global sponsorships and marketing</i>	IT – Software corporation	Team and league sponsorship
6	Endemic sponsor	<i>Social media manager</i>	IT – Electrical retailer	Athlete, team and league sponsorship
7	Agency	<i>Co-founder</i>	Consultancy in esports ecosystem	Consulting and marketing for esports athletes, sport clubs and sponsors
8	Soccer Club	<i>Director of marketing and communication</i>	Sport – Soccer	Implementation of esports team
9	Esports organisation	<i>Marketing director</i>	Esports	Mgmt. of esports athletes, sponsorship rights and league operations

### Data Analysis

The evaluation procedure is based on Gläser & Laudel's (2010) approach of qualitative content analysis, which generates a structured account of information by summarising the relevant empirical details from the conversations. Qualitative content analysis treats the text to be evaluated as material that contains the data and follows the individual steps of extraction, preparation, and evaluation of the data. The extraction of the information was conducted by using the software

MAXQDA 11 (Silver & Lewins, 2014), which provides options to create and manage a category system with codes and sub-codes. The conception of a closed system of categories is an essential element in order to identify facts and causal mechanisms. Based on the interview guide, we designed six different codes with multiple sub-codes in order to acquire meaningful information. The interviews were analysed and coded, and we assigned specific text passages to the related thematic categories. Extraction of information from interview texts and their allocation to designated categories goes along with interpretation and, therefore, overlapping expressions were included in the respective categories (Gläser & Laudel, 2010). The next step of preparation included the ordering of scattered information, removal of redundant expressions, and grammatical as well as linguistic adjustments, during which the central objective is the optimisation of data quality in order to ensure that the information base resulting from the extraction process contains all information relevant for answering the research questions. The main objective of the evaluation is providing meaningful expressions and answers to the empirical questions, and, therefore, the six themes were pivotal for the structure of the evaluation. A search grid in shape of a category system was derived from these research areas and preliminary theoretical considerations. The results of the data analysis delivered the required information in order to present and discuss essential aspects concerning the six research themes.

## **Findings**

### **Objectives of an esports engagement**

“Esports is not a panacea for every problem in the communication of a company” (Interviewee 7) but “the next step to reach the coming young generations” (Interviewee 3). All interviewees mentioned the utilisation of esports as a communication tool to reach a young target group. As

Interviewee 4 put it, “[the] approach was to dock our marketing communication via sponsoring, (...) that means we built a whole youth campaign around this sponsorship”. Involvement in the industry enables the possibility to create a new brand image in a novel and rapidly growing environment in order to capture new audiences of fans.

The reasons and objectives for starting an esports engagement varied between the interviewees, but are all related to the attractive demography of the target group within the industry. The esports audience is a heterogeneous group characterised by different game attractions, but also mainly male, between 15 years old and 35 years old, well educated, affluent and thus “has everything you want as a sponsor” (Interviewee 1). They are in general grateful to new sponsors, as they are aware that these companies shape their passion and pave the way for esports’ future development, professionalisation and recognition (Interviewee 9). Furthermore, the experts’ assessments point out that it can be assumed that esports fans are technology savvy, highly active in online settings, and therefore attuned to digital marketing (Interviewee 3).

Although the specific objectives for the target audience differ among the stakeholders, they can be grouped into three overarching goals: increasing brand awareness, image and sympathy. Non-endemic sponsors aim for the ultimate goal of increasing sales, whereas employer branding can be the “main mission and vision behind investment in esports” for endemic sponsors (Interviewee 5). Increasing customer loyalty was stated as a goal by multiple interviewees, and winning new fans for the core product is a central aspect for traditional sport clubs.

Branded content is a keyword and an opportunity for companies that are not renowned for innovative communication strategies or exciting products, as it enables a way “to make the brand shine in a completely different light” (Interviewee 7). Furthermore, esports was viewed as an

attractive marketing environment, because it is not yet a cultivated field and opens great opportunity for organisations to co-design an industry (Interviewee 5).

### **Choosing advertising media and communication channels**

“The industry is an illustration of classical mechanisms in sport in regard to marketing, which means that the monetisation possibilities are similar” as the common revenue streams include the sale of sponsoring rights, tickets, hospitality and ecommerce items (Interviewee 2). The major marketing media are generally characterised by one of the three cornerstones: branding space on jerseys, perimeters or online slots, content creation plus distribution, and advertising/licensing rights (Interviewee 9).

Each stakeholder owns individual rights and can offer different marketing packages that define the potential advertising medium. Teams and players offer brand exposure via classic logo placement on their jersey and online presences, and integration of promotional content in streaming sessions. Other ways to deliver marketing measures include utilising players as testimonials, advertising rights with the team or player’s brand logo, product integration of periphery partners, and production of content or videos (Interviewee 9).

Event organisers and leagues offer name placement, perimeter advertising, exclusive optional rights packages, and showcasing of brands around esports competitions. Sponsors receive “preservation of branding space at events, e.g. stage branding or in the entrance area, which is provided exclusively to the main sponsor. Further marketing areas are created on the online platforms”, whereas especially the digital media exposure on streaming platforms generate high reach and awareness (Interviewee 4). The inclusion of video ads, brand staging and in-game banners provide overall presence during the tournaments and is therefore highly valuable for

interested sponsors. Furthermore, the inclusion of on-site activities delivers branding space, booth integration and further activation options to get in touch with visitors of events and competitions.

The lucrative marketing opportunity of in-game advertisement is even more interesting when sponsoring a publisher. This innovative advertisement approach lets “sponsors be omnipresent in the game” and is extremely interesting due to permanent brand or logo presence by marking weapons, buildings, shirts of characters or other perimeters in games, which are played by emotionally involved customers (Interviewee 2). These marketing areas can either be filled with permanent advertising or equipped with material concerning customer information, like geolocation, based on the IP-address of the user. Additional marketing media are similar to those available to event organisers and include dedicated branding space on-site at events and online streams (Interviewee 2).

Interviewee 5 explained that sponsoring a broadcaster offers completely different opportunities for brands to improve the viewing experience due to the broadcaster’s interactive characteristics and high frequency of visitors. Broadcaster sponsoring encompasses the allocation of screen space, influencers or even entire channels, since these platforms offer slots in streams that do not belong to the original content producer.

All interviewees emphasised the importance of digital marketing due to the extensive online user base, as “it is mainly the digital channels the target audience uses” (Interviewee 2). The creation of good digital marketing is therefore necessary for a successful esports integration, because “the more creative your content, the more reach you get, the cooler gets your brand image and the more interesting you become for potential partners, players and fans” (Interviewee 7).

The most important communication channels in the industry are the streaming platforms Twitch, YouTube Gaming and Mixer, since they “broadcast the games, competitions and highlights”

(Interviewee 2). Besides these online platforms, linear TV channels are constantly increasing their investment in esports media rights and enable content delivery to a broader mass audience. For classic social network applications, “Instagram and Twitter are the cornerstones without which nothing really works” (Interviewee 9). However, “interacting with a brand on Twitter is difficult, because it is more of a text medium” (Interviewee 7); that’s why in terms of interaction rate, especially Instagram and TikTok work extremely well, due to more creative options to develop exciting marketing campaigns. However, it is of utmost importance to consider that the reach, conversion and impact of the channel depends on the discipline – e.g. FIFA 20 works very well on YouTube Gaming, and Twitch is an essential platform for core esports titles (Interviewee 7).

### **Design and implementation of marketing communication**

In general, it is not necessarily required to be the fanciest brand or most successful team in order to produce far-reaching marketing, as “it is maybe the funniest team that has the hottest content on social media and gains the broadest reach” (Interviewee 1). Marketing in esports “is not about achieving a presence solely for the sake of presence, but rather of actually offering authentic added value for the community” (Interviewee 5). Generating added value requires designing marketing activities based on the target audiences’ wants and needs, as esports’ individual game communities are characterised by distinct follower interests and affiliations (Interviewee 9). Furthermore, the industry’s digital environment enables the development of an extremely individual customer approach due to an abundance of customer data (Interviewee 1). Therefore, the importance of individually tailored and target-group specific design and implementation of marketing activities was highlighted by the experts.



The independent implementation of marketing communication is visible in the individual approaches of the interviewees' organisations, which created gaming-related channels and tournaments or produced videos and tools besides the common logo and content utilisation partners in order to communicate and interact with their desired audience. Concerning channel creation, one organisation built a YouTube channel "not only to reach esports fans, but also [...] mainstream gamers by broadcasting a regular series about recent happenings in the gaming world" (Interviewee 6). The interviewees mentioned the importance of collaborative creation and production of informational and entertaining videos. Companies can produce videos in order to advertise products or employ gamification elements, e.g. "athletes present a few products (...) and try to go in the direction of consulting" in order to emphasise the organisation's esports affiliation and expertise in selling technological devices relevant for the gaming industry (Interviewee 6). "Traditional sport clubs focus on interfaces with the professional sport team, since a joint activation offers great chances to produce cool content" (Interviewee 7). The videos produced can be digitally displayed on various platforms and offer authentic and natural storytelling by integrating partners in the spots.

Thus, natural content creation and authentic storytelling by partners, i.e. players, teams, publishers or event organisers, was stated as extremely valuable, because it proves and emphasises the gaming affinity of the organisation. For endemic companies, it is beneficial to stage the gaming team with everything associated with PCs and gaming, and to disseminate that content via the web (Interviewee 6). The description of the generated added value from a partner and authentic brand integration within sponsorships "is super valuable, because the fan sees that we have done something here – namely cool analyses in DOTA II" (Interviewee 5). The communication of marketing content via partner platforms is essential, because "in most cases the authenticity, weight

and reach come through the partner channels” (Interviewee 5). Traditional sport clubs rely on their esports athletes concerning their gaming communication, because the players have more subscriptions than the club and generate high reach by linking and sharing their content (Interviewee 8). In general, “esports does not get much traction in mass media, so consumers are going to influencers for updates and information” (Henricks, 2018).

The interviewees’ assertions furthermore highlight the importance of considering basic elements in order to conceptualise successful marketing campaigns. First, it is recommended to use pictures and videos rather than text, because “the mix of moving images and esports works extremely well” (Interviewee 7). It is also essential to adapt the content to the language and tone of the community (e.g. special attack – “ulti”). Each esports discipline has individual game-specific memes or inside jokes that have become intrinsic to the community. Through authentic and humorous implementation of these references, brands can intensify their communication message and create an enduring connection to the community.

### **Measurement of success**

According to the experts’ statements, general measurement methods are the sale of digital rights, tracking of digital media exposure, and sentiments in online settings, particularly on social media – with the help of specific tools, which provide metrics such as reach, interaction or engagement rates. An easy way to measure digital communication is the sale of digital rights, such as online perimeters and slots, or licenses that are directly monetised (Interviewee 2). Additionally, the impact of esports on the sale of articles in the ecommerce area can be measured by monitoring “how many products were sold via the gaming link” (Interviewee 6). In order to track brand exposure in digital media, some experts mentioned using the tools and calculation procedure

provided by Newzoo & Nielsen, which are analysing performance-data metrics, such as channel followers or average concurrent viewers across the essential esports platforms. It provides “a holistic view of how players and fans are consuming and engaging with streaming content” (Cohen, 2018). Monitoring community pages and the social news aggregator Reddit is essential, “because you get the unfiltered truth about the perception of organisations in the corresponding target group” (Interviewee 5). Furthermore, some organisations run market research in order to evaluate the development of their brand image and the “annual development of target group, age, gender etc.” (Interviewee 6). Interviewee 5 predicted that metrics will certainly exist at some point in the future to measure the impact of esports commitment on the recruiting success, implying that employer branding, i.e. marketing of the employer to potential employees, is another central issue of an esports engagement.

### **Prevailing risks**

If a marketing measure is seen as faked, it might cause image problems within the community, which can grow to a viral shit storm. Therefore, multiple experts emphasised that classic marketing activities of “clumsy product and logo placement simply do not work in esports” particularly for non-endemic partners (Interviewee 6). It symbolises the risk of losing authenticity and credibility, which is highly important to consider in order to build a valuable relationship with the community. Non-endemic brands “should be careful when trying to place a product that is not necessarily suitable” (Interviewee 4) to the target group, as their services do not naturally overlap with interest fields of esports enthusiasts. In contrast, the product placement of peripheral partners can be integrated authentically, as they equip partners with necessary gear that can be naturally presented

in tournaments and live streams, generating further added value for the gaming community (Interviewee 9).

A conclusion of the interviewees' statements shows that the extremely dynamic environment causes major risks for organisations. For example, the community interacts via online channels and feedback is spreading rapidly, which "can develop a dynamic that you cannot stop afterwards" (Interviewee 4). Another issue with the exorbitant pace within the industry is the rising entry of new brands, which brings the necessity for sponsors to "secure and maintain certain exclusive rights in order to remain visible or to select areas that can be used independently and intelligently" (Interviewee 4). Furthermore, the rapid release of new games also causes rapidly changing numbers of active users and spectators, since new games (especially the ones in the same genre) compete for the attention of professional athletes and leisure gamers. For example, "Fortnite has shot up incredibly fast [and now] Call of Duty Black Ops has added a Battle Royal mode (...) or Pokemon GO had 50 million users in Germany within 19 days and is dead now" (Interviewee 1).

The interviewees furthermore mentioned the opaque tournament structure, as the industry is a "newly emerging market that is still very unsorted and constantly produces new competition formats" (Interviewee 8). This leads to problems in understanding the structure and significance of different tournaments and impedes appropriate marketing communication of the esports involvement. A further risk mentioned is the reliance on a successful competitive performance of a sponsored team or player (Interviewee 4).

**Future perspective**

The interviewees identified technological innovation, acceptance in societies, and creation of transparent competition infrastructure as major issues influencing the future of esports. Foremost, the global spreading of internet-enabled devices and faster internet connections, particularly in emerging and developing countries, implies that the mere dissemination of games will lead to an enormous increase in user numbers, viewership and revenue, and opens huge unexploited potential (Interviewee 9).

Technological development is exponential and will enable opportunities to experience esports increasingly interactively (Interviewee 3). Furthermore, digital innovation will optimise technologies that enhance the experience of esports, whereas artificial intelligence in particular “will help to raise the games in the esports area to entirely different levels” (Interviewee 7). Virtual and augmented reality will constantly enhance the connection with traditional sport by interlacing virtual games with physical elements, further enabling possibilities to include disabled people in professional tournaments, for example (Interviewee 7). However, most experts think that the “core of esports will stay the same as gamers continue to sit in front of computers (...) because it is the raw form of esports. The only field with extreme potential in the short run is mobile gaming” (Interviewee 9). The evolution of mobile gaming will shape the industry, since “especially in developing countries, such as China, Indonesia and India, the percentage of mobile usage is much higher compared to PC” (Interviewee 2).

The general acceptance of gaming in the wider society also plays a decisive role for esports’ future, as it is currently still associated with violence glorification, nerds, and laziness. These central factors represent the limited mainstream consumption and even influence the strategy of high-profile esports teams, which adjust their portfolios based on sponsor demands

(Interviewee 9). According to most experts, this image will change in the next decade due to demographic change. “Clearly others are moving up, also in leading positions, who grew up with computer games and have a completely different point of view on gaming” (Interviewee 4).

In order to create a broader acceptance for esports, “fixed transparent league and competition formations would help enormously” (Interviewee 2). The launch of various leagues in collaboration with traditional sport associations, such as FIFA or DFL, portends the development of comprehensible competition structures in the coming years. Additionally, publishers continuously improve their esports operations – for instance, Riot Game’s introduction of a new League of Legends European Championship format contains a big step forward in terms of professionalisation (Interviewee 9). According to the experts’ statements, approaches and progress of proficiency in the industry are visible, as “everything is becoming much more professional and structured (...), not only in teams, but also in leagues and associations” (Interviewee 9). All interviewees mentioned the will to “increase investments in terms of financial, resource-related or physiological aspects” (Interviewee 5).

However, the general future of esports is difficult to predict, as the industry is still in its infancy. “The topic is extremely interesting but has just emerged in the last years. You do not know how much substance is behind it” (Interviewee 1). One expert even predicts that due to exorbitant sums and unsustainable business models, a bubble is rising that will burst at any point, as investors will not receive their expected return in many cases (Interviewee 9). Nevertheless, the interviewees are convinced that esports will constantly grow in the long-term, as the number of players, spectators, and events is rising everyday due to the major developments of digital dissemination, demographic change, and technological innovation.

### **Discussion**

In general, the interviewed experts viewed esports as a field with great opportunity to reach a young target group, which is increasingly tough to reach, in a constantly growing environment. The industry offers a wide range of possibilities for organisations to capture a young, technology savvy audience and to increase brand awareness, sympathy and loyalty within this target group. Esports offers advantages over other marketing channels, because it offers opportunities for staging and showcasing marketing activities due to esports' strong digital presence and the high interactivity of the audience. Organisations can also communicate their esports involvement offline by integrating information booths, gaming worlds, virtual or augmented reality areas or similar concepts in conventions or tournaments.

However, esports is not a feathered nest to jump into by solely integrating a logo or product, as its different communities have a keen intuition for faked interest. Therefore, it is essential to consider game, player, team or league-specific references and to emphasise the design and implementation of individualised marketing communications, particularly regarding storytelling and content in each sponsoring opportunity. An authentic, natural implementation is critical, making it essential to set a clear definition of the objective and to synchronise it fully with the available opportunities. Thus, it does not make sense for every brand to get involved, but if the right brands activate esports marketing with a tailor-made approach, it has great potential. Measuring digital media exposure and sentiments within social media are the cornerstones for evaluating an esports campaign, while additional metrics are determined by the objectives. The dynamic environment and complex competition structure were named as the biggest prevailing risks. This is in line with the literature, which highlights the opaque league structure as an impediment for future development of the field (Abanazir, 2019; Funk et al., 2018). However,

most genres and disciplines recently started to establish transparent tournament structures with help of event organisers, professional agencies and official associations (e.g. FIFA). In general, the experts classified the risks as relatively low, as the financial volume at stake is scalable and still relatively small compared to other engagement options. Thus, the risks should not be considered a major problem but rather as an opportunity for shaping the market, developing professional infrastructure, and generating added value for the whole scene. Esports contains many assets that promise a successful future for marketing approaches due to constantly increasing digital dissemination at a global level. The strong online engagement of the target audience generates an abundance of customer data, which can be leveraged for marketing purposes. Furthermore, acceptance in the broader society is likely to establish a natural perspective on gaming, since the average spectator will get older due to generational change. These macro-level trends are going to intensify over the course of time and might represent the motor behind the growth of esports. In addition, a sector expected to play a significant role in the near future is mobile gaming. By contrast, other forms of digital innovation, such as virtual reality or augmented reality, will need to proliferate in the broader society in order to become more relevant for esports.

An abundance of different video games exists for all kinds of devices, whereas most top-grossing games have competitions at the core of their game play – even on mobile devices. The differentiation between console, PC and mobile gaming is important to consider, because they represent different platforms on which esports activities take place (Hilgers, 2020). Several interviewees stated that the PC is going to stay at the core of esports. Not all genres and disciplines are esports-relevant, but the number is likely to rise, since publishers keep adding new titles with competitive elements. The publishers and event organisers play a critical and powerful role in the environment, as they own and develop every title, which is a central difference to traditional sports.



Thus, it is not possible to generalise the term esports; it has to be analysed in a highly differentiated manner, beginning with categorising games in distinct genres with similar game play (Hilgers, 2020).

Overall, the experts' assessments are to a large extent in-line with the paper's initial assertions, since the specialists perceived the industry as a constantly growing entertainment business with high potential to reach young generations. The objectives and implementation approaches mentioned by these esports experts are in congruence with the prevailing literature and market research. Contradictions between the experts' statements arose on the topics of tournament structure and partly on future perspectives. Different opinions concerning tournament structure can be attributed to individual involvement in distinct disciplines. Concerning future development, the impact of increasingly interactive gaming possibilities drew different opinions, since most interviewees stated that virtual reality and augmented reality are innovations with great potential, whereas others indicated that the core of esports will stay the same, as gamers will continue to compete against each other in front of a PC.

### **Implications, limitations, and future research**

#### **Theoretical contributions**

Given the relative novelty of the esports domain, there is no established theory of esports. However, much research in management has started with an interest in specific phenomena (von Krogh et al., 2012). This is particularly true for phenomena related to technology. Applying the framework provided by von Krogh et al. (2012), we may characterise the current phase of research on esports as embryonic yet growing, while the nature of most contributions is to distinguish, as witnessed in the discussion around whether esports should be considered sports, and explore, a category which

the present paper falls into. A key contribution of our study is the depiction of esports' value for sport marketers, with specific focus on who – i.e. sponsors and sport clubs – can profit from an esports engagement and how – i.e. design and implementation – the marketing potential can be leveraged. Furthermore, the results give insight into the impact esports may have on brands and illustrate the distinct advertising media of each stakeholder group as well as relevant communication channels within the industry. In writing this paper, we respond to a call by Hallmann & Giel (2018, p.18) who state that the topic of esports “should be attended by marketers. Yet, the question arises how it should be attended”. With this paper, we shed light on this question and provide qualitative evidence from nine German industry experts that represent different stakeholder groups, namely clubs, sponsors, and agencies. Integrating esports and digital marketing is an endeavour that – although sensible and called for by several researchers – has not been taken serious by sport management or sport marketing scholars. Our paper is the first to provide a multi-stakeholder view of digital marketing in the domain of esports. Our insights may prove to be first steps towards building a more comprehensive theory of esports (Doherty, 2013; Cunningham et al., 2018).

### **Managerial implications**

As a result of the empirical analysis, the following section states critical recommendations on how to make a commitment in esports a success. The recommendations are derived from the statements of the experts and have been condensed by the authors. We hope that these managerial recommendations prove to be useful to novices in the field.

First and foremost, a successful engagement in the industry is built on preparation and information, as many brands can benefit from esports when the concept is based on clear objectives

and the right conclusions. The clear definition and synchronisation of objectives with the special features of esports is of utmost importance, as the objective is pivotal for the selection of appropriate approaches and has a great impact on how to make an investment a success.

Sport marketers should visit esports events, observe the community and connect with the right partners by asking fans and experts in order to gather knowledge from their experience. They should absorb the atmosphere of tournaments and monitor Twitch, Reddit and other social media in order to get a sense of the community. Furthermore, they should hire in-house expertise or find partners who can provide extensive expertise within the target community. Ultimately, it is necessary to carefully analyse objectives and implement an appropriate package that best covers the characteristics for reaching these goals (e.g. Indian Market – PUBG Mobile).

Following this immersion, sport marketers should join the community and create added value, since generating authentic content in a campaign paves the way to interacting with the community. It is recommended to take part in discussions in order to be a knowledgeable and reliable resource for community members. Interesting and entertaining content is essential, reputable partners, i.e. event organisers, publishers, star players, influencers or teams, with high reach may be used for natural storytelling and amplifying the organisation's gaming affiliation.

Sport marketers should use the right media and a mix of platforms but consider the special features of each discipline in the online environment (e.g. FIFA – YouTube Gaming). A presence on social networks and streaming sites is essential to leverage the interactive engagement of the scene, but that does not mean excluding offline approaches, where they can reach emotionally involved event spectators.

The number of companies that have recognised the potential of esports is growing rapidly, and they occupy exclusive spots within the industry. Therefore, interested organisations should not

wait and start entering the industry. New games and everevolving technological innovations continuously change the industry and enable new possibilities for first movers. Thus, involved organisations need to stay up-to-date on recent developments likely to influence the market in order to avoid out-dated sponsoring entities and to enable the acquisition of exclusive rights within new disciplines or stakeholders.

Traditional sport clubs should use esports in all facets and not solely try to promote their core product by participating in the virtual complement of their physical sport. They need to consider more options based on holistic aspects, such as the main sponsors, business industry, corporate identity or enhancement of digital expertise. First of all, clubs can win sympathy within young target groups by creating infrastructure for esports enthusiasts, where they can socially play and train. Second, sport clubs can reach new, international markets, spectators and sponsors not interested in traditional sports and create a fresh image separate from the stereotypical history of the club. Last, an investment will accelerate and emphasise sport marketer's digital awareness as they get in touch with companies that are developing the latest technological tools (e.g. 5G in venue).

### **Limitations and future research**

While we conducted this study, several limitations emerged, which provide avenues for future research. First, while the interviewees for the study were carefully chosen and represent key stakeholder groups in the field of sport marketing, we may still not have captured all voices of the esports ecosystem in Germany. For example, most organisations we interviewed did not use esports to reach international target groups and do not compete in disciplines beyond their virtual counterpart. Future studies should attempt to broaden the scale and scope of the participants

involved, based on meaningful theoretical criteria. Researchers may wish to include esports organisations which are active on a global scale. As for traditional sport clubs, it would be insightful to scrutinise cases where the esports engagement goes beyond the club's virtual counterpart. An example of this would be the activities of Schalke 04 in the League of Legends genre, going beyond the implementation of more conventional esports titles, such as FIFA and Pro Evolution Soccer, which have soccer at their core (Bertschy et al., 2020; Schmidt & Holzmayr, 2018). Finally, it is certainly conceivable to recruit experts from other segments of the esports ecosystem, e.g. professional athletes, broadcasters and games publishers (Catalyst Sport, 2017). We would like to highlight that game publishers take a special role here due to their functioning as providers and owners of a game (i.e. the physical provision) as well as organisers of (franchise) leagues and rights holders (Funk et al., 2018). These functions hold significant potential for digital sport marketers, for example when it comes to in-game advertisements (Seo et al., 2018) and using esports venues as marketing channels (Jenny et al., 2018).

Second, the current body of studies – particularly per genre and discipline – is incomplete. It was neither intended nor possible to properly illustrate the special features of the distinct esports genres, disciplines, and communities. During the course of this research, it became clear to us that local rules and customs are inherently important for the appropriate implementation of marketing communications and we thus call for detailed analyses of individual genres and disciplines. As mentioned earlier, we have observed some focus on specific genres in recent publications, notably part three in the book by Rogers (2019), yet we believe that beyond an understanding of the nature and functioning of specific genres and how they fit into the overall sport industry, the implications for marketing and sponsoring have thus far been neglected. For this to change, genre-specific

marketing analyses are required, a first example of which is provided by Marchenko and Musabirov (2019).

Third, we have mentioned the use of social media, such as Twitch, Twitter, Instagram and YouTube, by esports athletes, teams, event organisers and leagues on various occasions in this paper. Social media networks are used for a variety of marketing-related activities on both individual, team and organisational levels, e.g. for relationship and brand building (Abeza et al., 2017a) or product endorsements (Abeza et al., 2017b). Some platforms, such as Twitch, Mixer and YouTube Gaming, are also used to distribute esports content. We believe there is much room for cross-fertilisation with sport scholars investigating social media (Abeza et al., 2017c; Abeza et al., 2018, Agrawal et al., 2018; Corthouts et al., 2018), specifically when it comes to analysing professional athletes as esports influencers (Grimmer & Clavio, 2019) or running esports communities (Wagner & Wagner, 2013).

Fourth, we believe that it is important to shed more light on what constitutes the customer and gaming experience, i.e. to analyse the motivational factors behind player engagement and what makes esports an enjoyable sporting option for them (Naraine & Wear, 2019). Again, as specified above, these factors may vary for different types of genres. A sports car racing game may elicit a different gaming experience (Leng & Pyun, 2018) compared to a non-sport-themed esports genre, such as League of Legends. Only if digital marketers truly understand this context, will they be able to integrate marketing and sponsoring messages authentically and effectively in the esports environment.

Fifth, we call for more research that informs marketers about the ethical dimension of esports. While it seems obvious that many digital marketing activities are aimed at getting users hooked, it should be emphasised that gamers and esports athletes may constitute a vulnerable

population, who is prone to addiction (Bányai et al., 2019; Sweeney et al., 2019). A focus on safeguarding mechanisms, particularly in view of the young age of many players, seems warranted. Another ethical issue is how potentially violent games, particularly the genre of first person or ego shooters, are becoming legitimised through esports and thus find their way into the conventional sport arena (Young & Strait, 2019). Digital marketers and sponsors take a pivotal role in this process as they provide resources and co-branding opportunities. The choice to do so should be well-informed.

Sixth, given the relative novelty of the field, we advocate for more explorative research of how sport marketers are engaging with esports. Qualitative work (Hoerber & Shaw, 2017), more generally, and case-based research (Morse & McEvoy, 2014) or netnographic research (Kozinets, 2009; Abeza et al., 2017), more specifically, should be a promising avenue for future esports research. With help of cases, for example, it is possible to select the case organisations based on theoretically relevant criteria (e.g. diversification or internationalisation). Case-based research may also be applied to different esports genres or disciplines. Ultimately, netnographies may illuminate the way esports influencers are conducting their business. They may also be used for understanding the local rules and customs within specific esports genres.

### **Conclusions**

Esports is a general term that encompasses the landscape of competitive gaming. Its evolution into an important entertainment industry with regular presence in the biggest stadiums and executive boards of global players is extraordinary. The development can mainly be attributed to innovations in information and communication technologies as well as the loyal fan base of gaming enthusiasts.

The digital origin of esports goes along with extensive utilisation of online services, which enable opportunities to interact with a young audience.

The most salient aspect is to understand the existence of multiple distinct segments within the industry, mostly separated by different game genres and titles. The individual characteristics and persona archetypes of each community differ; thus, an essential element for brand promotion is understanding the special features of the target community in order leverage trust and add value to create sustainable relationships. A clear, objective definition and synchronisation with the available opportunities is fundamental to identifying the most appropriate sponsoring and marketing approach.

Building on these findings, the focus must be set on target-group specific design and implementation of marketing communications. In order to design and implement successful marketing communications, it is most important to create added value in the form of entertainment or information. For this purpose, the creation of natural and authentic storytelling and delivery via appropriate communication channels are critical. Since most operations in esports take place online, special attention should be paid to video communities and social media. The measurement of marketing activities is therefore mainly based on the calculation of digital media exposure and the evaluation of online sentiments, whereas market surveys can track the development of brand awareness and sympathy.

Some challenges remain: A central problem is the prevailing lack of transparent association and tournament structure, which impedes uniform competition processes. The professionalisation of the environment, however, is in full swing, as publishers and event organisers have recently begun to build clear tournament structures, increasingly in collaboration with official sport



associations for sport-themed video games. Furthermore, the rising acceptance of the industry's establishment as an important sport business enhances support from official authorities.

The macro trends of digital dissemination, technological innovation, and generational change indicate that some disciplines will increasingly overtake traditional sports in terms of awareness, revenue, and viewership. The digital natives of generations Y and Z grew up with digital tools, and we can assume that digital media and interactive entertainment like esports will be unstoppable, as digital behaviour continues to play a critical role for coming generations. The global society will establish a more natural perspective on gaming in the course of time, and esports will consolidate its status, as the utilisation of digital tools is going to increasingly spread out. Esports is on course to grow into the middle of the society and has the power to inspire and unite people in the coming decades through its embrace of digital tools and integration of technological innovation. We may one day reach the third scenario described by Jonasson & Thiborg (2010), i.e. a future characterised by the hegemony of esports. Whether or not that is desirable will likely trigger numerous discussions in the years to come.

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